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Cuba

Raul Castro Attends Pan-American Ball Game

FL0908151691 Havana Tele Rebelde Network in Spanish 1155 GMT 9 Aug 91

[Report on an interview with Army General Raul Castro by Cuban Television correspondents at the Latin American Stadium in Havana on 8 August—portions recorded]

[Text] As we told you on the Morning Magazine program, Army General Raul Castro, second secretary of the Central Committee and minister of the Revolutionary Armed Forces [FAR], was present last night at the baseball game between Cuba and Puerto Rico which took place at the Latin American stadium. After the game, Raul went to the Cuban team's bench where he spoke with members of the team and reporters from Cuban television.

[Begin recording] [Raul] My friends, I want to congratulate all of you today, but the day of truth is on Sunday.

[Angelito] On behalf of the whole team, we would like to present you with this ball which has the signiture of all the members of the team.

[Raul] You played like 15 generals from the FAR, or from the Ministry of the Interior, or from the police. All of you played baseball, but not one of you played your best. What happened to Romelio? Why was he told to go to third base? [speaks to the pitcher] The other day you almost had a perfect game. I was watching the game. Congratulations.

[Pitcher] Thank you.

[Raul] At the end your pitch began to slow down, but it all turned out fine. You pitched 5 hits, right?

[Pitcher] No, six hits.

[Raul] I know all of you from television. You are Victor Menza, right? You are always laughing. [laughter] That is your friend Vilma, right? He is the one who won the game against the Japanese. Unforgettable.

[Vilma Espin] What a beating!

[Unidentified speaker] This is Herman Mesa and this is Romelio.

[Raul] You are the one who made the first homerun?

[Player] Yes.

[Raul] How much do you weigh?

[Player] Sixty-seven kg.

[Raul] Sixty-seven kg of pure homerun. [speaks to next player] Why are you always so serious? [laughter] This is the second time I have told you.

[Player] I have always been like that

[Raul] Once I saw him in Matanzas and he was going to bat and he was dragging the bat. It looks like he is always mad. Pacheco, you are from Santiago like Vilma Espin. The people from Santiago are good people. Are you the nephew of (Luis A. Raul)?

[Pacheco] Yes.

[Raul] And who is older?

[Pacheco] I am.

[Raul] The nephew is older than the uncle? Where in the country were you born?

[Pacheco] Meneses.

[Raul] That is common around there. [laughter]

[Vilma Espin] His mother and his grandmother were having children at the same time.

[Raul] Big Tambo, I was about to make a protest because I did not see you in the game. Congratulations for those games in which you have pitched. The Linares boy. How are you, Juan Carlos? How is your father? Please send my regards to the two of them. When I go to Pinar del Rio I will stop by your house, at least to drink some coffee. Are they living in San Luis?

[Linares] No, we are living in Pinar del Rio.

[Raul] I know, but where are your parents living?

[Linares] In San Juan.

[Raul] In San Juan. So they will give me a cigar, right?

[Unidentified reporter] What do you think about the Pan-American Games?

[Raul] Well, I have been watching them from home. This is the first event that I have attended. But from what I have heard, everywhere, the people are very happy. They are speaking highly, even of the television coverage. After the events, I do not know... [laughter] Then there is Aldana, you see. Is he there? He is defending the television, the people are speaking well of television, but I do not know what they will say when the games end. How many hours are you showing a day?

[Unidentified speaker] Maybe 15 or 14.

[Raul] Fifteen they say and I believe so. In the first place, they have finished all the facilities, they are all finished. I have not visited any that are not finished. I do not have any information otherwise. They have been well done. Finalists, as always, we Cubans always end up in the finals in everything. We have arrived. And I believe it has been a real [rephrases] together with the development of the events.

Everything is quiet, a calmness throughout the whole occasion. There are—it is true—thieves. I do not have

any reports on anything up to now, but there are thieves. However, there is an atmosphere of great security. A Western press agency portrays us as defenders of the Cuban Revolution. They have also spoken of this atmosphere, the people's attitude. What do they call this in English? [words indistinct], the attitude of the people themselves, with their separate teams that have come here to compete. I believe it is a sign of our culture which we have, a characteristic, a typical characteristic of us Cubans.

[Unidentified reporter] And the facilities are completely full in all the competitions?

[Raul] Beginning with that. Well...

[Unidentified reporter] With today's results in addition to what the news has reported, five gold medals, six medals in wrestling.

[Raul] Here is a friend who does not understand baseball very much, but he is a good friend to Cuba. I invited him to attend this game. I do not think such a personality needs an introduction. This is Antonio Gades, a little older. [laughter] He knows how to play ball.

[Gades] I had a little accident, as you can see.

[Unidentified reporter] You did not know you would be here tonight?

[Gades] Yes, yes. I congratulate you and many thanks to the poor Minister [Raul] because I drove him crazy. I do not understand very much of this, and he explained what was happening.

[Raul] We even had (Acolome) by his side to help him.

[Unidentified reporter] Well, the agencies would like to give you these mementos as souvenirs of the Pan-American Games.

[Raul] Thank you very much. And what does this package contain?

[Unidentified reporter] Gloves, popcorn, all sorts of things.

[Raul] It sounds good to me. [laughter]

[Unidentified reporter] Comrade Raul, we have been talking about today's results but now, generally speaking, what do you think of our athletes' performance?

[Raul] What a great job. They are like our Armed Forces. They come out of nowhere when things are at their worst and they never lose a single war. [laughter, applause] [end recording]

Stresses Success of Games

PA0908195291 Havana Radio Havana Cuba in Spanish 1400 GMT 9 Aug 91

[Text] Cuban Vice President Raul Castro has stressed the success of the 11th Pan-American Games being held in Cuba. Castro, who is also minister of the Revolutionary Armed Forces, said Western news agencies, characterized by their unfriendly attitude toward the Cuban Revolution, have even mentioned the good climate prevailing in the Pan-American Games.

Those were the statements made by Raul Castro during a meeting held in this capital with members of the Cuban baseball team, which defeated the Puerto Rican team 16-2 on Thursday, 8 August.

Finally, Raul Castro said that Cuban athletes are like the Armed Forces. They come from behind, they display their courage during the bad times, and [words indistinct] in a war.

Soviet Ambassador Petrov Concludes Mission

FL0908153591 Havana Tele Rebelde Network in Spanish 1104 GMT 9 Aug 91

[Text] At the conclusion of his diplomatic mission to our country, the Soviet Ambassador Yuriy Petrov was honored at a farewell ceremony held in the headquarters of the Cuban-Soviet Friendship Association here in Havana. Julio Chaviano, vice president of the association, thanked Petrov for his work in helping to strengthen Cuban-Soviet relations and wished him luck in his new assignment.

Fidel, Raul Bid Farewell

FL1008175891 Havana Radio Progreso Network in Spanish 1625 GMT 10 Aug 91

[Text] Cuban President Fidel Castro and Army General Raul Castro attended a reception last night offered by Soviet Ambassador Yuriy Petrov. The reception was held at the Soviet Embassy in Havana. Fidel and Raul, along with representatives from the Soviet Union and other high-ranking Cuban Government and party officials, bid farewell to Petrov who has ended his work in Cuba.

Communist Party To Adopt New Economic Plan

OW1208075891 Tokyo KYODO in English 0736 GMT 12 Aug 91

[Text] Mexico City, Aug. 11 (KYODO)—Cuba's ruling Communist Party has given up plans to work out a new five-year economic development program because of the chaotic situation in the Soviet Union, its main benefactor, according to western diplomatic sources in Havana.

The sources have told KYODO news service the party is therefore likely to adopt stop-gap measures at its congress scheduled for October.

The party earlier planned to adopt the Fourth Five-Year Plan at the congress, they said.

The report by the sources showed that Cuba, which has refused to abandon the old form of socialism, now faces a serious economic crisis.

The party congress, originally scheduled for the first half of this year, has been postponed due mainly to the economic crisis in the Soviet Union, Cuba's largest aid donor, according to the sources.

Moscow's annual economic and military assistance to Cuba amounted to 5 billion dollars until a few years ago.

The Soviet Union suspended crude oil supplies to Cuba in 1989 while aid goods planned for delivery in the first half of this year have been delayed, the sources said.

The sources said the party leadership is unable to draw up a medium and long-term goal for the country's economic development.

As a result, they said, the country is trying to strengthen economic ties with China and Latin American countries.

Cuban Foreign Ministry officials said China offered 100,000 tons of crude oil when Cuba's economic situation was at its worst.

Chinese Communist Party General Secretary Jiang Zemin is scheduled to visit Cuba this fall but reports from Hong Kong said he has postponed the trip because of flood disaster along the country's eastern coast.

Peru To Protest Scandalous TV Marti Report

PA1108034991 Havana Radio Havana Cuba in Spanish 0000 GMT 11 Aug 91

[Report by Radio Havana Cuba's correspondent in Peru, Miguel Angel Ceballos; recorded—date not given]

[Text] In open provocation intended to irritate Ecuador and Peru regarding a conflict that was overcome many years ago in the bordering area of Tumbes, on 10 August the American station TV Marti aired a report showing the map of Peru mutilated and with the borders altered.

The report was broadcast through Panamericana Television Channel Five about the BCCI [Bank of Credit and Commerce International] scandal and its implications in Peru, and later showed the clumsily faked map of Peru.

The map shown by TV Marti did not reflect the Peruvian provinces of Tumbes, Jaen, and Maynas, which were the cause of a military conflict with Ecuador in the past and which has already been resolved through diplomatic channels.

After seeing the images of the inappropriately named anti-Cuban television station, the president of the Foreign Affairs Commission and first vice president of Peru, Maximo San Roman, said he will present an official Peruvian protest to the U.S. Government. They will protest such a biased and puerile report in which the territorial integrity of Peru was severed.

Different sectors also urged Peruvian Ambassador in Washington Robert Maclean to present a formal complaint to the White House for the anti-Cuban television station's intervention in the country's internal affairs.

Because of this scandal, which has an internationally belligerent connotation, several media have agreed that TV Marti is not a reliable or respectable source for a newscast. All of its work is subversive, biased, and destabilizing, several journalists have said.

Santiago de Cuba Prepares for 4th PCC Congress

FL0908231791 Havana Tele Rebelde Network in Spanish 1712 GMT 9 Aug 91

[Text] The urban appearance of Santiago de Cuba City is changing in anticipation of the Fourth Congress of the Communist Party of Cuba [PCC]. The city is on the verge of completing several projects of social and economic interest.

[Begin unidentified correspondent recording] Politburo members Esteban Lazo and Armando Hart have headed an inspection of facilities to be used during the Fourth PCC Congress in Santiago de Cuba and have announced that on 13 August several important projects will begin operating. Among these facilities is the Heredia Theater and the adjoining Antonio Maceo Plaza which completes the architectural complex. The theater will feature on 23 August a performance honoring the anniversary of the Federation of Cuban Women. This performance will serve as a rehearsal and operational check of the facility.

A 1,000-bed hospital will also begin out-patient care, physical therapy, and dental services on that day. After 13 August, other important projects which will also begin operating are the Santiago Hotel, the airport, and a baby food factory. The progress of several other projects that are essential to the economic development of the province were also announced. These include a cooking oil factory, a railroad station, the Gramma Highway, a freeway, and the city's traffic loop and housing program.

This survey was also attended by Homero Crabb, minister of construction; Senen Casas, minister of transportation; Julio Teja, minister of public health; and Sonia Rodriguez, minister president of the State Committee for Material and Technical Supply. [end recording]

Pioneers' President Declares Congress Postponement

FL1008015291 Havana Cuba Vision Network in Spanish 0000 GMT 10 Aug 91

[Text] Today Juan Contino, president of the Jose Marti Pioneers Organization, announced during a news conference that the first Pioneers congress has been postponed from September to November. The first congress of the Cuban Pioneers will be held from 7 to 9 November in Havana City.

Once the school year starts, the presidency of the Pioneers plans to poll its members to study which of the

issues discussed in the first phase of the congress have been solved or are being solved in each school. The Jose Marti Pioneers' city in Tarara will house the congress delegates. The opening ceremony and numerous recreational activities are scheduled to be held in Tarara the morning of 7 November. On 8 November, the 1,500 delegates will hold their sessions divided into six work commissions that will discuss: study, structure, and performance; organizational performance; defense and scout movements; work, culture, sport, and leisure; and the organization's motto. During the afternoon plenum, the delegates will discuss general issues and subjects vital to the Pioneers' life.

The closing ceremony will be staged at the Plaza of the Revolution. There, the younger generation will demonstrate that they are not only the future, but that they are contributing to the present with their efforts and optimism.

Social Groups Open Up to Havana Workers

FL1008161891 Havana Tele Rebelde Network in Spanish 1105 GMT 10 Aug 91

[Text] Starting 15 August, all workers in the city of Havana may become part of any social group that he or she desires regardless of his or her working sector. During a press conference Alfredo Morales Cartaya, general secretary of the Cuban Workers Federation in the capital, said that they could also affiliate themselves to student groups by paying 25 cents. Morales said that the social groups will establish the conditions for their membership using as criteria the norms of the labor or student organization to which they belong. Each group will have strict rules which must be obeyed by its members. This will allow each facility to be maintained in the best conditions possible for the recreation of workers and their families. In addition to the regular weekday activities, plans are being made to use these facilities on weekends for high quality cultural and recreational activities including dances.

Inter-Caribbean Affairs

ACP Countries Prepare EC Funding Proposals

FL0908142591 Bridgetown CANA in English 1213 GMT 9 Aug 91

[Text] Bridgetown, Barbados, Aug 9, CANA—Delegates from the 15 Caribbean countries in the African, Caribbean, and Pacific (ACP) group will meet here Monday and Tuesday to advance efforts for early submission of projects for European Community (EC) funding.

The delegates aim to take the programming of Caribbean regional funds under the fourth Lome Trade and Aid Agreement to a stage which would allow project submissions to the European Commission as early as possible, the Barbados Goverment Information Service said.

The ministerial meeting of the forum of Caribbean ACP states is the second phase of a process which saw an officials meeting in Guyana earlier this year table several project proposals.

Caribbean ACP states Haiti and the Dominican Republic will for the first time be represented at the forum meeting here, also expected to be attended by participants from ten regional institutions and observers from seven Caribbean non-ACP states.

The latest Lome Aid and Trade Programme between the EC and nearly 70 former European colonies will focus the Caribbean allocation of aid and financing in the areas of Economic integration and cooperation relating to trade, tourism, agriculture, and fisheries; and sustainable development particularly related to human resource development and the environment.

Dominica

Opposition To Attend Regional Assembly

FL0908161491 Bridgetown CANA in English 1519 GMT 9 Aug 91

[Text] Roseau, Dominica, Aug 9, CANA—Caribbean opposition parties have signalled their intention to participate in the forthcoming third session of the Regional Constituent Assembly [RCA] preparing for a political union in the Organisation of Eastern Caribbean States.

Leader of the Dominica Labour Party [DLP], Michael Douglas, said the parties grouped in the Standing Conference of Popular Democratic Parties of the Eastern Caribbean (SCOPE), will attend the sessions in Dominica September 2 to 6.

However, he told CANA that opposition parties attending the RCA would continue to reflect SCOPE's position that political union is something which should come about at the end of a number of processes such as the deepening of functional cooperation, the harmonisation of laws, and free movement of people.

Douglas said he expects most of the opposition parties in the four Windward Islands of Grenada, St. Lucia, Dominica, and St. Vincent and the Grenadines to attend the sessions, but campaigning for a forthcoming general election may prevent the St. Lucia Labour Party of SCOPE Chairman Julian Hunte from participating fully in the RCA.

"SCOPE has no intention of jeopardising the chances of the St. Lucia Labour Party from becoming the next government of St. Lucia, if by their participation in the RCA it's going to make it more difficult for them," said Douglas.

Douglas said the DLP's delegate to the RCA will be Carib parliamentarian Dr. Worrel Sanford, who is expected to represent both the interests of the party and the Carib people at the assembly. The United Workers

Party of opposition leader Edison James has indicated that it too will attend the session.

Government 'Would Support' Taiwan's UN Bid

FL1208115591 Bridgetown CANA in English 2249 GMT 10 Aug 91

[Text] Roseau, Dominica, Aug 10, CANA—Dominica's External Affairs Minister Brian Alleyne has confirmed that his country would support a bid by the Republic of China on Taiwan, to re-enter the United Nations. Alleyne was responding to a statement from the Taiwan Embassy here, that it has the assurances of the Eugenia Charles administration, that such a re-entry bid would be backed by Dominica.

"The Republic of China has been a very good friend to Dominica over the years, and our level of cooperation has been excellent and improving. As a country, we believe that on the basis of the principle of universality, we would certainly wish to support the Republic of China's membership to the United Nations if they chose to go that way," Alleyne said.

He however pointed to practical difficulties, with the People's Republic of China having a veto power in the UN. "At this time I have no doubt, and I think this is recognised clearly by the foreign minister of Taiwan as well, that mainland China would veto an application," Alleyne observed.

He does not see Taiwan's bid for UN membership as imminent but says Dominica's support for such a move would be unfailing. Alleyne said it would not be a matter of Dominica getting involved in the conflict between the two countries but simply a case of supportng a friend.

Dominica has received much technical assistance from the Taiwanese and is making overtures for Taiwanese investment here. The Taiwanese say while they provide the island with some level of assistance, Dominica reciprocates by supporting Taiwan when necessary in international fora.

Dominican Republic

Dialogue With Haiti Continuing, Progressing

FL0908184891 Santo Domingo Cadena de Noticias in Spanish 1600 GMT 9 Aug 91

[Text] Joaquin Ricardo, minister of foreign relations, said yesterday that dialogues between the Dominican Republic and Haiti are continuing and progressing. Ricardo mentioned that these dialogues are aimed at reaching concrete agreements in the areas of customs, commerce, economy and immigration. On the subject of immigration, Joaquin Ricardo said that it is necessary to control the entrance of Haitian nationals into our country. He also mentioned that these negotiations are progressing but offered no details.

* May Inflation Rate Drops to -1.1 Percent

91CA0193A Santo Domingo EL SIGLO in Spanish (Economia Supplement) 11 Jul 91 p 1-D

[Article by Victor Manuel Tejada]

[Text] In May inflation was negative (-1.1 percent) for the second, consecutive month, while in the first five months of the year, from January through May, cumulative inflation barely reached 0.24 percent, one of the lowest levels in the past few years.

Of course, that does not mean that prices have declined, compared to December 1990, but rather that price changes have not been very significant. In 1990 inflation totaled 100.6 percent, a level which surpassed all previous experience in the recent economic history of the country.

According to data prepared by the Department of Economic Research of the Central Bank, the Consumer Price Index [CPI] at the end of May was 1870.5, which meant a reduction from the CPI figure at the end of April, when it was 1891.5.

Cumulative inflation of 0.24 percent during the period from January to May of 1991 was substantially lower than the figure of 9.68 percent for the same period of 1990.

However, the difference is much greater if the 0.24 percent of inflation during the first five months of 1991 is compared, for example, with the 48.2 percent of inflation during the last four months of 1990.

The decline in inflation, as a result of the restrictive measures taken by the government in terms of monetary and credit policy, began to be recorded in January 1991, when the rate of inflation barely reached 0.07 percent.

In February 1991 inflation was 0.8 percent, while in March it rose to 1.51 percent, levels which could be considered tolerable, particularly when compared to the levels which had been recorded over the past three years.

However, in April, for the first time in many years, the inflation rate was a negative 1.0 percent, when many products, particularly agricultural, recorded declines in prices. This had an impact on the Consumer Price Index which the Central Bank prepares.

Nevertheless, it is necessary to state that, together with this price stability, there has also been a significant decline in economic activity, principally in a few sectors. In 1990 the Gross Domestic Product recorded a decrease in the order of 5.0 percent. In 1991, although we still do not have official figures, some sectors of the economy have reduced production, and exports, for example, have reflected a noticeable decline.

In the framework of the agreement with the International Monetary Fund the government is seeking to ensure that inflation will be maintained at about 16 percent annually.

* Campesinos Held for Seizing Farm Lands

91CA0193B Santo Domingo EL NACIONAL in Spanish 26 Jun 91 p 9

[Article by Carlos Sencion]

[Text] Azua—The local commander of the National Police reported on 26 June that about 55 peasants were arrested after occupying some 3,514 tareas [366.04 hectares] of land. The land belongs to the Freites family and is located in the Tabara Abajo area.

The farmers were arrested by police agents, who were accompanied by a Major Freites, a doctor in the Dominican Air Force (FAD) who stated that the land belongs to his family.

As far as could be determined, the arrested farmers, who belong to the Association of La Milagrosa, were taken to the police station at Azua with all of their agricultural tools, since they were clearing the land and preparing it for sowing.

The farmers stated that the land belonged to the state, and they occupied it for that reason.

The Freites family is involved in a lawsuit with the Dominican Agrarian Institute (IAD) which, like the farmers, states that the land is communal property.

The farmers stated that Dr. Gustavo Tavarez, the director of the IAD, gave them authority to occupy the land. Therefore, they proceeded to occupy it on 25 June.

Julio Antonio Lemos, mayor and justice of the peace of Tabara Abajo, resigned his post in protest against the arrest of the farmers and because his authority was not respected.

The mayor stated that when he tried to ensure that the farmers arrested by the police were not mistreated, he was ignored. That is the reason why he presented his resignation to Fredy Perez, a trustee of Azua.

On the evening of 25 June demonstrators blocked the highway between Azua and Barahona and set fire to tires in protest against the arrest of the farm workers.

Of the farmers arrested only three were released. They were members of the group but were under legal age.

* Haitian Repatriation Program Affects Economy

91CA0193C Santo Domingo EL SIGLO in Spanish (Economia Supplement) 26 Jun 91 p 1-D

[Article by Victor Manuel Tejada]

[Excerpt] The next coffee harvest, which will begin in October and in which more than 200,000 Haitians are employed, will reportedly be in danger if the repatriation program which the government is carrying out is continued.

Eusebio Guzman, executive director of the Dominican Association of Coffee Growers (Adocafe), made this statement. He suggested that instead of taking this action, which he called militaristic, the government should continue to regularize the status of and issue residential documents to Haitians living in the country, as it began to do in 1990.

He stated that Dominican agriculture uses a high percentage of Haitian labor. In the case of coffee producers they are employed in large numbers, since there are practically no Dominican workers in the coffee growing areas, due to the fact that they have migrated to the slums of the cities.

In addition he stated that younger people in the coffee growing areas have abandoned agricultural labor to work in the free trade zones, in the case of young women, and in the motorized transportation sector, in the case of young men.

Guzman thought that the government should be practical and take a step backwards. He recalled that under a presidential decree issued in 1990 provision was made for the regularization of the status of Haitian nationals resident in the Dominican Republic.

He stated that this decree providing for the regularization of their status is much more realistic than the repatriation of the Haitians, as the latter action would worsen the problem of manpower in agriculture. [passage omitted]

He explained that during the harvest months more than 200,000 Haitians work in the coffee plantations throughout the country, although throughout the year this figure is reduced to somewhat more than 100,000 Haitians who work on cultivating the crop.

He said that on the majority of coffee plantations, principally in the southern part of the country, 90 percent of the workers are Haitians who are paid 30 to 40 pesos per day, plus food. During the harvest season the salary paid depends on the efficiency of the worker. [passage omitted]

* Taiwan Government To Lend $35 Million

91CA0193D Santo Domingo EL SIGLO in Spanish 1 Jul 91 p 2

[Article by Emilia Pereyra]

[Excerpt] The government of the Republic of China will extend two loans to the Dominican Republic for a total of $35 million for investment in the energy sector.

The Republic of China had already decided to loan the Dominican Republic $15 million to improve the national energy system. This was stated on 30 June by Kuo Kang, ambassador of the Republic of China to the Dominican Republic.

In an appearance on the "Aeromundo" television program the ambassador stated that his government will loan $20 million to install a hydroelectric plant.

Furthermore, with the approval of the government of the Republic of China, 30 companies have been established in the Dominican Republic by Chinese investors, with a value of more than $80 million.

The government of the Republic of China is presently studying the possibility of helping the Dominican authorities to mechanize the cutting of sugar cane.

Ambassador Kuo Kang, a diplomat with more than 36 years of experience, explained that his government has established an international economic development fund which supports the investments which Chinese businessmen are making in the Dominican free trade zones, particularly in San Pedro de Macoris.

Asked about what his government is doing in the field of technical cooperation, he said that for more than 30 years the Republic of China has maintained a mission of agricultural experts in the Dominican Republic to work on projects involving the cultivation of rice and raising pigs, shrimp, and fresh-water fish.

He recalled that another project recently began in Azua to raise salt-water shrimp at a cost of 18 million Dominican pesos. On this project his government covered all costs for the construction of ponds of water, food storage areas, and freezing equipment. [passage omitted]

Grenada

Court Claims 'No Jurisdiction' in Retrial Bid

FL0908133591 Bridgetown CANA in English 1204 GMT 9 Aug 91

[Text] St. George's, Grenada, Aug 9, CANA—The Grenada Court of Appeal was preparing on Friday to hear another appeal relating to the Maurice Bishop murder trial. The defence is claiming the jury was biased and was not properly empanelled. The court on Thursday dismissed a motion seeking a re-hearing of the murder appeal on the ground that the court president misdirected himself. The motion was another bid to save 14 former government and Army officials sentenced to death for the 1983 killing of leftist Prime Minister Bishop.

Appeal Court president Sir Frederick Smith made his feelings known from the outset of submissions on the motion. He said: "I am not sitting down here and listening to any argument that I misdirected myself. I spent too much time writing this judgement...I do not claim to be the pope, nor am I infallible, but I see nothing wrong with the judgement," Sir Frederick said.

The court also threw out, in dismissing the motion, a request for a stay of execution against the 14. The defence argued that the court should grant the stay in light of the petition now before the Inter-American Commission on Human Rights, an agency of the Organization of American States.

The petition is asking for "provisional and permanent relief against the death penalties and sentences of imprisonments" against 17 persons implicated in the killing of Bishop and members of his cabinet. But the Appeal Court ruled that it had no jurisdiction on the matter.

"We cannot rule on that matter unless the agreement between Grenada and the OAS is part of the municipal laws of Grenada," Sir Frederick said. "We will grant a stay if there is a legal basis for it, but not because of an agreement between Grenada and any other party," the court's president said. He complained the defence team left its clients in the middle of the trial and came to court at this time with a "rearguard action."

"All these arguments should have been given during the trial before the judge and jury, when you walked out and left them (the accused) high and dry for five months," Sir Frederick said. "...I think it is time that I set the record straight. I am anxious to clear the air now that the trial is over. I am tired of hearing that something is wrong with the court or with the judge."

Earlier Thursday, the court also rejected a preliminary appeal to have it rule that it has no jurisdiction to hear the motion because the court was illegal and not in force. The appeal questioned the authority of the governor general, Sir Paul Scoon, to revoke an earlier proclamation paving the way for Grenada to return to the regional court system,

"I ask you to rule that your honors' court was effectively abolished, and the court which has jurisdiction over Grenada today is the OECS (Organization of Eastern Caribbean States) court," defence lawyer Clarence Hughes said. Grenada pulled out of the OECS court system and set up its own soon after the 1979 coup that brought Bishop to power. The move created a problem since Grenada's Constitution makes provision for the island to belong to the regional court. However, under Bishop, the Constitution was suspended. After the fall of Bishop's government in 1983, the Constitution was restored, but the island maintained its own court system. The plan, however, is to return to the OECS court system.

Hughes told the panel of judges the submission was not being made out of lack of respect for them, "nor to denigrate from the standing of your lordships." However, Sir Frederick said he thought the motion was deliberately filed on July 29 to cause problems for the island's return to the regional court.

"The governor general has the right under the Constitution to revoke the July 19 proclamation, just as he had the right to issue it in the first place," he said.

Justice Rex McKay, another Appeal Court judge, said: "When the governor general was given power to proclaim August first, he also had the power to change it."

Grenada's governor general issued a proclamation on July 19, allowing for Grenada's return to the regional court system on August 1. However, due to the motion filed by members of the defence in the Maurice Bishop murder appeal case, the governor general issued another proclamation revoking the first.

The defence team in court Thursday included Jamaicans Earl Witter and Maurice Frankson. The prosecution, for the first time, was led by Attorney General Dr. Francis Alexis. It included former Trinidad and Tobago Attorney General Karl Hudson-Phillips, and Keith Friday, a lawyer attached to Grenada's Department of Legal Affairs. Acting Director of Public Prosecution Velma Hylton was absent from court.

Haiti

Government Defends Achievements Following Attacks

FL0908123491 Bonaire Trans World Radio in English 1130 GMT 9 Aug 91

[Text] The government of Jean-Bertrand Aristide has given itself a favorable grade on its first six months in office. In a document issued yesterday, the government listed such accomplishments as the fight against drug smuggling, as well as plans for upcoming public projects. The report follows criticism by two top opposition leaders this week who charged that the government lacks direction and that it is ineffective.

Meanwhile, the Aristide administration noted that nearly $500 million in aid from abroad is expected in the next two years.

Five Soldiers Appear Before Military Commission

FL0908205291 Port-au-Prince Radio Metropole in French 2200 GMT 8 Aug 91

[Text] Five soldiers appeared before a military commission in connection with an investigation into the circumstances surrounding the death of five alleged gangsters in Delmas. A captain; a warrant officer; two sergeants; and one second lieutenant, who is already under arrest, appeared at the hearing. Other people, including the parents of the victims will also be heard by the commission.

Government Issues Document on Projects for Aug

FL0908230491 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 9 Aug 91

[Text] On 7 August, a government document was read on national television. This evaluation was entitled: Lavalas Is Moving Forward. The document assesses the government's first six months in power. The government is initiating a different plan for development. The government also recognizes the need for better conditions to enhance productivity.

State finances need to be controlled. Changes need to be made in the tax structure and reforms are needed in all the banking systems. The government seeks foreign aid and assistance from international organizations interested in Haiti. The government recognizes the participation and capacity of Haitians living abroad as the 10th department in the country's economic policy. The document also mentions the importance of the popular sector in the country's economy.

Following a review of their accomplishments over the past six months, the government realizes that not much was accomplished. The government also feels that things could not have been done differently. The document also addresses the changing point of view on the social, political, and economic scene since 7 February and the changes that remain to be made in Haiti. The government notes in this document that speed is needed to tackle the burdensome files within the year. Within this document are guidelines describing the large projects that the government intends to accomplish in August, September, and October.

In the month of August the government seeks to build welcoming centers in four frontier zones and extensive lodging in Cite Soleil for the victims of the fire during the month of June. The government will hold training seminars for 50 labor inspectors. The government will have National Television programs broadcasted throughout the country. The government will organize the Bois Caiman Festival. If the deputies and the senators vote in favor there will be the separation of army and the police. The government will effect widespread education programs on justice.

The government will decide on the lands in the Artibonite. The Court of Peace will be relocated in Artibonite. The government will decide on a bill to have Cite Soleil become a commune. Improvements will be made in Lasaline. The government will cleanup gullies and the sewerage system in Port-au-Prince and in particular around the Morne Hospital.

Road repairs will be made in Dame Marie and on the Citadelle Road. There will be paving work done in Arcahaie, Jeremie, and Les Cayes. The Jeremie-Cayes, Plaisance-Pilate, Marchand-Dessalines, Petite Rivieres-Nippes, and Ouanaminthe-Trou du Nord Roads will be improved. Further projects for the month are repairing generators and a water pump in Cap Haitian.

Street improvements will be made in Port-au-Prince in the areas of Cent-files, Bois-Verna, Carrefour Feuilles, Magloire Ambroise, Rue Cameau, Delmas, Rue 4, Bel Air, and Rue Saint Martin. Further road repairs will be made on the Virgile Road, near Aquin, the Pont Sonde-Gonaives Road, Harry Truman Boulevard, and the Mirebalais-Hinche Road.

Fifteen hundred primary school teachers will be trained. Nine tool depots for peasants will be created. The government will distribute corn, millet, and bean plants in the nine departments. Water tanks will be built in Decouse, Jacmel, Goave, Fond Verette, Kenscoff, and other areas in the northwest. The government will work on soil conservation and irrigation in the Artibonite Valley.

A vaccination campaign against anthrax will be undertaken in the south, Grand Anse, the north, and southeast to include approximately 30 communes. The government will distribute 40 indigenous pigs in each department for a total of 1,800 indigenous pigs. The government will begin to restock the southern lakes and those in Grand Anse with approximately one million fish.

A bureau for agricultural reform will be created while awaiting the parliament's vote on agricultural reforms. Irrigation systems will be built in La Quinte and Gonaives. Improvements will be made to the Rouyonne River in the Leogane basin. A slaughterhouse will be built in 25 communes. The Cul-de-Sac plain, Croix-des-Bouquets, the Arcahaie plain, Beladere, and Saint Raphael will be irrigated. Nine centers for disbursing animal feed will be established in each department.

Other projects in August include: repairing the Dessalines Barracks, building two operating rooms at the military hospital, and recruiting female police personnel.

This is part of the government's document which will be read in its entirety later in our broadcast.

Trinidad and Tobago

Police Constable Testifies in Coup Trial

FL0908184391 Bridgetown CANA in English 1557 GMT 9 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 9, CANA—The 26th witness for the state, Police Constable Seechan Bharat, will continue giving evidence when the preliminary inquiry into a 1990 coup attempted by a Muslim group resumes Tuesday. Bharat was at the Red House, the home of the Parliament, at the start of the coup attempt.

He gave evidence Thursday, following witnesses that include other policemen, a lawyer, a photographer, and a Red House worker.

The inquiry is proceeding against 19 members of the Jamaat al Muslimeen, including leader Yasin Abu Bakr, who have been charged in connection with murder and treason in connection with the coup attempt that claimed 24 lives. An inquest involving the remaining 95 Muslimeen charged has been adjourned.

Gallup Poll Predicts 'Overwhelming' PRI Victory

PA1108180691 Mexico City XHTV Television Network in Spanish 0200 GMT 10 Aug 91

[Text] The Spanish newspaper ABC, directed by Luis Maria Anson, published a report on Mexico on the front page of its 9 August edition. The report states that electoral polls show that President Salinas will be the winner. It goes on to say that Mexican President Carlos Salinas de Gortari and his Institutional Revolutionary Party [PRI] will win an overwhelming victory in the upcoming elections, according to a poll by the multinational Gallup Company.

During the interviews, says the newspaper, which cosponsored the poll, the number of registered voters who said they plan to vote for the PRI surpassed the number who favored all of the other political parties together. The Gallup poll was conducted with a scientifically selected sample of 3,053 Mexicans from 270 areas throughout Mexico between 15 and 28 July 1991.

Fifty percent of the pollees said they will vote for the PRI; 11 percent for the National Action Party [PAN]; five percent for the Party of the Democratic Revolution [PRD]; six percent support other smaller parties; 16 percent said they were undecided, and 12 percent refused to disclose their choice.

If the same figures were recalculated, based solely on the number of registered voters capable of expressing a preference, the percentages for the larger parties would be: 69 percent for the PRI, 15 percent for the PAN, seven percent for the PRD, and nine percent for the remaining parties. If the current number of undecided voters do not lean toward the PRI in the same proportion as those who are decided, the PRI's final percentage will probably be lower than 69 percent.

According to the Gallup poll, the PRI has a significant edge in every region of Mexico and among all of the largest segments of the Mexican electorate. Just as in recent elections, support for the PRI is strongest in nonurban areas and the southern part of the country. However, in urban areas of over 100,000 inhabitants, the PRI has an edge of 42 percent to 15 percent over its closest rival.

Many young voters supported opposition candidates during the 1988 presidential elections. In this regard the new Gallup poll reveals that President Salinas has made progress in attaining young voters' support for the PRI. Among potential first time voters between 18 and 21 years of age, 42 percent said that they plan to vote for the PRI, 15 favored the PAN, 5 percent favored the PRD, and 8 percent supported other parties.

Older voters, according to Gallup, will continue to support the PRI. People over 55 years of age favor the PRI over the PAN by a margin of 60 to 9 percent, and the PRI over the PRD by a margin of 60 to 3 percent. Gallup says that even though it is a mid-sexennium election in which a president will not be elected, the voters' level of interest is comparable to the level reported one month prior to the 1988 presidential elections.

One quarter of the pollees, approximately 24 percent, said that in July they paid a great deal of attention to the upcoming elections, and 19 percent said that they paid some attention to the elections. Nevertheless, most Mexican adults, 40 percent of them, have paid little attention, and 16 percent have not paid any attention to the elections.

The selection of the sample, the questionnaire's design, and the examination of the results were conducted by the Gallup Organization of Princeton, New Jersey. The interviews were conducted by the IMOP [Mexican Public Opinion Institute]—Gallup Mexico—under the direction of the Gallup Organization.

Mr. Richard (?Buckholder) of the Gallup Organization can answer any questions you may have regarding the methodology used in this poll. Mr. (?Buckholder) can be reached at The Gallup Organization, P.O. Box 310, Princeton, New Jersey 08542; telephone 609-924-9600, and Fax number 609-924-2584.

Costa Rica

Colombian Official Comments on Ties With Cuba

PA0908210591 Panama City ACAN in Spanish 1736 GMT 8 Aug 91

[Text] San Jose, 8 Aug (ACAN-EFE)—Colombian Foreign Minister Luis Fernando Jaramillo said today in Costa Rica that commercial or diplomatic relations between his country and Cuba do not represent support for Fidel Castro's regime. He said that such relations represent the practice of pluralism in international relations.

Jaramillo, who today initiated a 3-day official visit to Costa Rica, noted that during the Ibero-American summit that took place in Guadalajara (Mexico) on 18 and 19 July, the only three South American countries that had no diplomatic relations with the Castro regime, decided to reestablish commercial relations with that government. According to Jaramillo, those nations are Colombia, Chile, and Paraguay. Jaramillo said his country will soon reestablish diplomatic ties with the Castro regime, following an interruption that lasted three decades [as received].

Jaramillo said: "We hope our relations with Cuba will contribute to the return of democracy on the Caribbean island." The Colombian foreign minister noted that this measure "does not mean we are giving Havana any special treatment."

While in Costa Rica, Jaramillo will meet with Foreign Minister Bernd Niehaus, Legislative Assembly President Miguel Rodriguez, and President Rafael Calderon. He will discuss diplomatic and commercial relations and cooperation in the marketing of coffee and bananas, the two most important products for both nations, with all of them.

The Colombian minister, who will conclude in San Jose a tour of four Central American countries, said that Brazil, Colombia, and Central America, which produce approximately 70 percent of the world's coffee, must reach an agreement on improving coffee prices, "which are now at their lowest level ever" in the world market.

Jaramillo also referred to the situation in the banana sector. Banana production has increased in Central America, Colombia, and Ecuador. He recalled that restrictions on the introduction of this fruit in the European market "continue." In his opinion, it is necessary to resolve this situation "if we are to find new forms of development."

The Colombian minister said: "We are going to discuss these matters" in Costa Rica. The minister recalled that Colombian President Cesar Gaviria convoked the banana producing countries to a summit this past February to analyze the marketing and price situation of this fruit in the world market. Minister Jaramillo noted: "It is important to coordinate everything related to trade matters to expand the market."

During Jaramillo's stay in Costa Rica, he and the Costa Rican authorities will also discuss the possibility of signing a free trade agreement similar to those signed between Central America and Venezuela during the Central American summit held in El Salvador around the middle of July.

Foreign Minister Jaramillo stated: "My government has offered to allow Costa Rican products to enter Colombia duty free, without asking for reciprocal treatment, as a way to contribute to the consolidation of the Costa Rican economy."

El Salvador

'Positive' Round of Talks Concludes in Mexico

PA1008210791 Paris AFP in Spanish 1932 GMT 10 Aug 91

[Text] Mexico City, 10 Aug (AFP)—The Salvadoran guerrillas and political parties have concluded the talks being held in Mexico City and described them as "positive." The talks ended early on the morning of 10 August and sources close to the meeting participants have told AFP that kidnapping was one of the main issues.

Mario Aguinaga, of the National Democratic Union, said that the parties present expressed to the Farabundo Marti National Liberation Front (FMLN) their opposition to kidnappings and that "the FMLN listened receptively and will take this into consideration."

The FMLN presented its position to the legislators and political leaders on how future negotiations with the government should be conducted and how to make them flow easier. The rebels' ideas "were found acceptable to the political parties."

During the talks between the guerrillas and the government, the legislators explained how constitutional reforms, which were also approved in Mexico in April, will be implemented.

Along with Aguinaga, Ruben Zamora, for the Democratic Convergence party; Fidel Chavez, for the Christian Democratic Party; and Ciro Cepeda, for the National Conciliation Party, also participated in the meetings.

The ruling National Republican Alliance refused to participate to protest the kidnapping of Gregorio Zelaya, one of its leaders.

UCA Rector Says U.S. Obstructing Jesuit Case

PA0908214891 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Aug 91

[Text] After demanding justice in the case of the Jesuits, UCA [Central American University] Rector Francisco Estrada reiterated his charge that the U.S. State Department continues to obstruct the investigation of the murder of the clergymen.

The UCA rector on 6 August reiterated his charge that the U.S. State Department is obstructing the investigations to solve the murder of the Jesuits. Father Estrada explained that by refusing to cooperate with the Salvadoran courts and preventing U.S. citizens from testifying, the United States has become an accomplice of the killers.

[Begin Estrada recording, in progress] ...on that occasion there was an attempt to question U.S. citizens who in some way or another were linked or were present here at the time of the assassination. I am specifically referring to Major Buckland. We wanted the lawyers who represent us in the United States to be present during the questioning of these U.S. citizens but the State Department said that U.S. laws do not permit this and that our lawyers could not be present. [end recording]

Rector Estrada asked the U.S. Government for clearer and more decisive cooperation to move forward a case that might be sent to the jury at the end of September or beginning of October. The rector said the legal barriers raised by the United States should be lowered.

[Begin Estrada recording] I think that in a case like this one, which is so important, some laws can be interpreted in a broader and more benign manner so that it will be clear that the State Department is cooperating in solving this crime. Father [name indistinct] and I do not see clear-cut cooperation on its part. [end recording]

The UCA rector reiterated that justice should be met for the good of Salvadoran society. He added that some elements continue to be unresolved with regard to the Jesuits' murder.

FMLN To Prosecute U.S. Advisers' Murderers

PA0908153391 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 8 Aug 91

[Text] According to government sources, the Farabundo Marti National Liberation Front [FMLN] will state at the negotiating table that the murder of two U.S. military advisers in January in San Miguel Department should be examined by the Truth Commission.

An FMLN communique read on local radio stations on 7 August says that under international law the guerrillas have the power to prosecute two of its former members who have been accused of murders. In the FMLN's opinion, serious doubts have been cast on the current Salvadoran judicial system, which cannot sentence individuals who are not in its custody.

In their communique the guerrillas announce that they will allow a neutral country to maintain custody of the two defendants until the time of their trials. Meanwhile, Commander Gustavo Amaya rejected the Bush administration's plan to prosecute one of the former guerrillas involved in the U.S. advisers' murder. Amaya, a guerrilla leader and member of the FMLN General Staff in Morazan, said that neither of the two former fighters will be surrendered to the Salvadoran or U.S. legal systems. As long as the Salvadoran system is not reformed, there will be no confidence in justice, Amaya said.

Regarding the current arrest warrant issued in the United States against one of the defendants, Commander Gustavo said that the United States has always been a part of the Salvadoran conflict and cannot now adopt the position of arbiter.

Cristiani Calls Kidnapping 'Flagrant Violation'

PA0908214791 San Salvador Canal Doce Television in Spanish 0300 GMT 9 Aug 91

[Text] President Alfredo Cristiani said today that the kidnapping by the FMLN [Farabundo Marti National Liberation Front] of farmer Gregorio Zelaya is a grave violation of the human rights agreements signed by the FMLN and the government in a meeting in Costa Rica. In an unscheduled news conference, the president demanded Zelaya's immediate release.

[Begin Cristiani recording] We can say this is a flagrant violation of the human rights agreement signed in San Jose, Costa Rica last year. This does not bode well for the way the FMLN is planning to comply with the commitments it makes. [end recording]

The president hinted that the kidnapping case is an obstacle to the peace process at a time when the government and the FMLN are about to hold a new round of negotiations that might result in the signing of agreements, including one on a cease-fire.

[Begin Cristiani recording] I think it would be useless to reach agreements that look beautiful on paper but that later would not be fulfilled. As a government, we have complied with the commitments we made through the peace process. In some cases, we have gotten ahead of events, such as the agreement with the Inteparty Commission to establish a timetable for the approval of constitutional reforms. We do not see why the FMLN should not comply with the first agreement. This kidnapping is not at all justifiable. [end recording]

Cristiani also denied that talks with the guerrillas will resume on 12 August. It has been learned that the date for the next meeting will be agreed upon during the visit that mediator Alvaro De Soto is currently making to El Salvador. As for the investigation of the murder of Mr. Martin Ayala, the president said it would be too risky to

reject the veracity of the results, as some opposition politicians and labor leaders have done. Examples, such as the case of El Zapote [22 January 1991 slaying of 15 peasants in El Zapote village], show how wrong such criticisms are, President Cristiani added.

FMLN Comments

PA1108200591 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1800 GMT 10 Aug 91

[Station commentary: "Will the Capture of a Death Squad Member Break the Peace Talks?"]

[Text] After obstructing the peace talks while they were going through a decisive phase, Alfredo Cristiani has stated that the capture of death squad member Gregorio Zelaya endangers the process leading to a political solution in El Salvador.

There is nothing more dishonest and immoral than what nas been said by the president who, together with Armando Calderon Sol and other Arena [Nationalist Republican Alliance] members, have shouted their lungs out when it comes to a well-off criminal. But they do not do the same when less privileged persons are victims of the Armed Forces' brutality, as took place today in the Soledad Viuda de Alas community in Soyapango.

However, the capture of this type of person may continue as long as the social and military confrontation in El Salvador continues to be the deliberate option of the Armed Forces High Command and the most reactionary sectors of Arena.

The Farabundo Marti National Liberation Front [FMLN] is a moral, political, and military force in El Salvador. If, at the moment, it is not a part of the government, it still has an obligation to implement actions to reestablish justice, and most of all to put a stop to institutionalized impunity.

The capture of Gregorio Zelaya puts the judicial system against the wall—a judicial system that continues to be an instrument of a minor but powerful group of military and oligarchs who for 60 years have governed ostentatiously and with impunity.

Gentlemen, this is the straw that finally breaks the camel's back, and we have now captured a death squad member. One of the men who has always opposed the peace talks. Today Gregorio Zelaya will no longer point his gun at the heads of those sitting at the negotiating table, including the representatives of Alfredo Cristiani.

We call on President Cristiani to speak openly to the nation and reveal the names of military and Arena members who continue to keep Guillermo Zolvan captive, just as he learned the names of the kidnappers of other businessmen and industrialists.

Will it be the pressure and internal divisions within Arena and the Armed Forces that will threaten the negotiations? Will the negotiations cease merely because one of the two sides holds one of the biggest terrorists in El Salvador? Has Cristiani ever raised his voice for the more than 75,000 Salvadorans who have been murdered or the more than 7,000 countrymen who are missing? Mr. Cristiani, you must understand that with that group of piranhas it is not possible to govern, and so you cannot act with complete authority, moral character, and determination during the negotiations.

FMLN Rejects Alleged Arrest of Ayala Slayers

PA0908152891 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 8 Aug 91

[Station commentary: "The Mask of Impunity"]

[Text] The announcement that the Commission to Investigate Criminal Actions has arrested the individuals allegedly responsible for Martin Ayala Martinez' murder clearly reveals one of the greatest obstacles to the solution of the conflict: military impunity, which still prevails over justice for the Salvadoran people.

As Monsignor Arturo Rivera y Damas has said on many occasions, the government commission does not have the slightest moral or professional integrity to impartially and independently investigate a crime in our country. The same thing happened with the cases of Herbert Anaya Sanabria, the Democratic Convergence deputy in Santa Ana; the El Zapote case; and the despicable murder of the six Jesuit priests.

Thus, we will not hesitate to point out that the commission should be abolished because it is an inseparable part of the impunity system and plays the role of a mask for that system, which was created by the military caste and the extreme rightwing to maintain power.

The matter is serious because the commission is a legal, political component that covers up the death squad activities of the Salvadoran Armed Forces intelligence apparatus.

President Cristiani should be more sensitive to the grief of the needy and he should take the lead, not only in executing justice in this case, but in executing specific actions to overcome the deadlock on the issue of military impunity. The commission's intentions are shocking and totally lacking in credibility. There is no justice in El Salvador; the regime is not just. The announcement [the capture of Ayala's murderers] is only part of a campaign to influence the upcoming U.S. congressional elections to gain the military aid demanded by an unpunished Armed Forces that corrupts justice.

Therefore, we reject the commission's investigations. In the FMLN's [Farabundo Marti National Liberation Front] opinion the case is still open, and it is up to the UN-designated human rights and truth commissions, which will take part in the case, to bring to light a new crime involving the hierarchy of the Salvadoran Armed Forces.

Guerrillas, ONUSAL To Discuss Human Rights

PA1108200791 Mexico City NOTIMEX in Spanish 1842 GMT 11 Aug 91

[Text] Mexico City, 11 Aug (NOTIMEX)—Salvadoran guerrilla leaders initiated here today a meeting with the representatives of the UN Observers for El Salvador (ONUSAL).

At the meeting, which will be held between members of the Farabundo Marti National Liberation Front (FMLN) and the ONUSAL delegation, both sides will review the operational mechanisms of the UN representation in El Salvador with the purpose of verifying that human rights are respected.

Both sides will also discuss the case of rancher Gregorio Zelaya, who was kidnapped by the FMLN because of his alleged involvement with "death squads."

Those representing the ONUSAL will be its director, Iqbal Riza, and Philipp Texier, human rights director of the organization.

Comprising the rebel delegation are Commanders Nidia Diaz, Ana Guadalupe Martinez, Rebeca Palacios, Miguel Sainz, and Roberto Cana.

The ONUSAL, a UN commission that was created following the agreements signed between the Salvadoran Government and the FMLN, the first objective of which is to verify that individual rights are not violated, installed its central headquarters in El Salvador on 26 July.

In the next two weeks, the UN delegation in that Central American nation will install regional offices in the Salvadoran cities of San Miguel, Santa Ana, and San Vicente, and representations in Chalatenango and Usulutan, considered areas of conflict.

According to a rebel leader, the meeting with the mission of international observers will help define the duties carried out by the ONUSAL "in areas occupied by the guerrillas because they may sometimes visit war zones."

The UN delegation representative said last Friday, 9 August, that the meeting will help us do "what we already did with the government, define the manner in which we are going to work and how the FMLN will ensure our free mobility in territories under guerrilla control."

The Salvadoran guerrillas initiated here on 9 August talks with the Salvadoran political parties, except for the ruling Nationalist Republican Alliance (Arena), which withdrew from the talks as a way of protesting the kidnapping of two of its leaders.

Yesterday, the FMLN political diplomatic commission and the political parties ended their meeting, during which they talked about the ways to speed up the peace process. The government and the guerrillas have been holding talks for the past 16 months with UN mediation.

Guatemala

Bilateral Relations With Colombia Discussed

PA1108033291 Guatemala City SIGLO VEINTIUNO in Spanish 6 Aug 91 p 3

[Text] The foreign ministers of Colombia and Guatemala, Fernando Jaramillo and Alvaro Arzu Irigoyen, respectively, held talks from 4 to 6 August. One decision adopted during these talks was to strengthen bilateral relations between the two countries.

A recently established bilateral commission will evaluate the cooperation program that now exists and will be in charge of discussing issues of interest to political, economic, commercial, financial, communications, transportation, and tourism sectors. The commission will also be responsible for discussing energy and mining programs and technological and scientific cooperation, as well as other suitable programs that may emerge in the future.

The Colombian foreign minister said that he is happy with the peace process in Central America. He stated his support for the peace initiative of Guatemalan President Jorge Serrano Elias, as a result of which the government and rebel groups are holding talks.

During the meeting between the two ministers there was special interest in promoting trade, especially in the agricultural sector. The two ministers believe that Brazil, Colombia, and Central America should coordinate efforts to improve coffee production so that prices can be lowered. With regard to the problems caused by drug trafficking activities in the country, the Colombian foreign minister offered to contribute to their control. In this direction, Colombia will exchange experiences and share intelligence information on bands and cartels. In concluding his visit, Jaramillo delivered an invitation from Colombian President Cesar Gaviria to the president of Guatemala to visit the South American country. With this the Colombian President wants to strengthen the ties of friendship and cooperation that now exist.

Violence, Demonstrations Concern Authorities

PA1008222891 Paris AFP in Spanish 1947 GMT 10 Aug 91

[Report by Gonzalo Marroquin]

[Text] Guatemala City, 10 Aug (AFP)—Eleven civilians killed by alleged death squads along a southern highway, two policemen killed in Guatemala City, and two bomb explosions in a residential sector of the capital have highlighted an escalation of violence in this Central American nation this weekend.

The incidents took place on 9 August, confirming that the state of insecurity in the country has increased over the past four months, during which there have been all

types of killings amid legal "impunity" that concerns authorities, according to Guatemalan Attorney General Acisclo Valladares.

Along the Taxisco highway—kilometer 63 heading toward the southern region—the bodies of 11 persons, including a woman, were found showing signs of torture. Three of the victims were identified as truck drivers.

Meanwhile, in the capital, two policemen were shot dead as they were guarding the home of a woman who was assassinated several weeks ago. This has caused Government Minister Fernando Hurtado to suspect that "the death squads continue to operate."

Two bombs exploded last night in a residential and commercial sector of the capital, resulting in damage and injury to several youths who were partying in a place known as "the live zone" of Guatemala, near the country's most luxurious hotels.

The list of crimes over the past few months is long and includes a police criminal investigator, a businessmen, a German citizen, and many others who have not received great publicity.

All of this has placed the authorities in a difficult position and it is harmful to the image of the government of President Jorge Serrano, who has raised the topic of peace as a public issue. Thus far, however, the guerrillas have continued to wage war, and political violence and common criminality have increased, without the authorities being able to do anything to prevent it. Attorney General Valladares has stated that "the existing impunity is dangerous to the concept of law," and that very few criminal cases are resolved through investigations here.

Again, bodies have appeared along highways and empty lots and killings have become a daily occurrence.

More than 10 persons—mainly leaders of popular organizations—have had to leave the country within the past few months because of threats from death squads.

For 10 days there has been a search for a clandestine cemetery in Quiche Department in the western part of the country where there are reportedly the remains of 100 peasants, who, according to their relatives, were killed by the Army or civil self-defense patrols between 1978 and 1985.

This search has resulted in the discovery thus far of the bodies of at least 11 peasants, but no one dares to mention the possibility of an investigation into what happened, and 22 Indian families, who have asked the judge to conduct the search together with Guatemalan and Argentine forensic experts, have reported that they have received threats.

Added to all of this violence is a series of student protest demonstrations against the announced increase in electricity rates, which could degenerate into more violence during the coming week when high school students go out in street protests.

Also, health authorities, supported by the public force, have begun to remove food peddlers from the streets to prevent cholera, which affects thousands of families who make their living in this manner, worsening the country's socioeconomic situation.

To achieve this, municipal policemen have had to resort to force and the peddlers have organized to repel the measure, which is why the possibility of confrontation is not dismissed.

Amid this panorama, President Jorge Serrano faces serious difficulties in promoting a social pact with businessmen and workers in an effort to achieve stability for the country.

Apparently, he needs to do more than merely to seek a peace agreement with the guerrillas. To observers, the pace of the negotiations has become Serrano's biggest enemy, because he may soon have to face differences within an Army that supports democracy, but that has not relinquished power in this nation.

Army, Rebels Clash in Playa Grande, Quiche

PA0908183191 Mexico City NOTIMEX in Spanish 0057 GMT 8 Aug 91

[Text] Guatemala City, 7 Aug (NOTIMEX)—The Ministry of Defense reported today that a clash between Army and rebel forces in northern Quiche Department has resulted in the death of three guerrillas and two soldiers.

According to the Army's Press and Information Department, the clash took place last night at Playa Grande, near the Xabal and Ixcan rivers, Quiche Department, 250 km north of the capital. The report said that soldiers and guerrillas clashed when a military patrol was inspecting the zone.

The Ministry of Defense said that the dead soldiers are Corporal Marco Tulio Garcis and Private Jose Ignacio Lemus, but the dead rebels were not identified.

Armed Forces on Murder Suspect's Discharge

PA1108133291 Hamburg DPA in Spanish 1517 GMT 10 Aug 91

[Text] Guatemala City, 10 Aug (DPA)—The Guatemalan Armed Forces issued a press communique indicating that soldier Noel de Jesus Beteta Alvarez, accused of murdering anthropologist Myrna Mack, who was killed a few months ago, "is no longer enrolled in the Army."

Beteta worked in the intelligence service office, located at the headquarters at the Presidency. According to the

Armed Forces communique, he had been on leave for 24 months, thereby resulting in his discharge in 1990.

The murder of the anthropologist, who was studying Guatemalan society, was denounced locally and by numerous scientific institutions and universities in Europe and the United States. These institutions demanded that the persons responsible for the crime be punished. The U.S. Government also demanded this as a condition to continue economic aid to Guatemala.

On 5 August, Jose Merida Escobar, police chief of the Homicide Department, was murdered some 50 meters from police headquarters (one of the most guarded placed in the country) because he had uncovered that Beteta Alvarez was one of the anthropologist's murderers.

The human rights office under the Guatemalan Archbishop's Office issued a bulletin indicating that the murder of the police chief attempted "to cover up the participation of high-ranking military" in the anthropologist's murder.

This accusation is rejected in the Armed Forces press communique, which indicated that the Archbishop's version has already been internationally transmitted, "causing irrevocable damage to the good image of Guatemala and its Armed Forces."

* Monsanto on URNG's Inability To Seize Power

91CA0200A Mexico City LA JORNADA in Spanish 23 Jul 91 p 27

[Part II of a five-part series by journalist Blanche Petrich]

[Text] Up in arms for the past 30 years, the Guatemalan insurgent leaders have now reached one conclusion: "We cannot set out to seize power; that is impossible at present. As politicians and revolutionaries, we must be objective and realistic. Our strategies cannot be based on our desires and ideals alone."

This claim is made by Pablo Monsanto, commander in chief of the Revolutionary Armed Forces, one of the four politico-military organizations of Guatemalan National Revolutionary Unity (URNG), the guerrilla movement currently seated at the negotiating table with the Army and the Government. However, it is not because there is "battle fatigue" among the insurgent rank and file. "What exists, in any event, is a habit of fighting. And our people view negotiations as another way of fighting."

The interview was held during the round of negotiations in Cuernavaca.

[Blanche Petrich] How is the negotiating process being taken on the guerrilla fronts, among the population in the zones under URNG control?

[Pablo Monsanto] In the first place, there is complete confidence in the commanders, and in the unity of our forces. They realize that, when the commanders make a political proposal, such as that for democratization, they are fighting on behalf of their interests, for what we too have fought for on the battlefield. We are not thought to be giving up.

But they also realize that keeping up the armed struggle, and expanding and intensifying it, will contribute to the negotiations until a cease-fire is achieved.

[Blanche Petrich] Don't you think that there is battle fatigue among the URNG rank and file, after so many years?

[Pablo Monsanto] The people of Guatemala have sufficient reserves to fight. They have spent so many years resisting the system imposed since colonial times and, later, the system imposed by U.S. intervention, that there is a very great capacity for resistance. What exists is a habit of fighting. In any event, what the people believe is that they must add one type of fighting to another type of fighting. It isn't that they are accepting negotiations because the other method brought no results, but rather that the other method will reinforce the negotiations.

[Blanche Petrich] How does the URNG conceive of democracy? What is expected during this phase of negotiations?

[Pablo Monsanto] That changes may occur, that will enable all sectors of the people to participate in the political, economic, and social decision-making; something that is not being guaranteed in the present democracy's institutions. A democratic institutionality must be created. In that way, a national consensus will be formed for constructing a regime that will respond to the interests of the majority, and not of the minority, as has traditionally occurred.

[Blanche Petrich] There are some who claim that the fact that negotiations to end the armed conflict are taking place in Guatemala is due to an ultimatum from the United States....

[Pablo Monsanto] There are internal and external factors. It is partially true. The U.S. policy at present is one of the favorable external factors. There is pressure on behalf of democratization, human rights, and demilitarization. This benefits us. The revolutionary movement's general weakness on the international level is having a negative effect on us. But the internal factor is the decisive one; and there is an internal factor that is no longer totally adverse to us, as it had been previously.

In this general, very, very general context, if there is success in advancing toward positions making it possible to carry out a democratic political process, then we think that this is what should be done. Obviously, we are running many risks. But this is the effort that can be made at present; because, objectively, we cannot set out to seize power. That is impossible under current world

conditions, and with the internal situation. So, as politicians and revolutionaries, we must be objective and realistic. And our strategy must be objective and realistic, and not based on our yearnings and desires, nor on our ideals.

URNG Responsible for Nationwide Blackout

PA1008213791 Panama City ACAN in Spanish 1718 GMT 10 Aug 91

[Text] Guatemala City, 10 Aug (ACAN-EFE)—The Guatemalan National Revolutionary Unity (URNG) claimed responsibility on 10 August for blowing up two utility towers on 4 August, which resulted in a nationwide blackout. The URNG said that they carried out the attack "because no truce has been signed" with the government.

In a communique sent to local papers, the rebels state that "urban commandos of the URNG Central Front blew up two of the country's utility towers on 4 August as part of the war strategy plotted by the URNG General Command."

According to the URNG, after seven months of the government of President Jorge Serrano Elias, it is impossible to ascertain a difference between the current and the previous regime. While the rich continue to starve the people to death, the military murders those who try to rebel.

The communique also states that "day after day, the media publish only some of the murders of peasants and people's leaders, only some of the harassment of Indian communities, and only some of the kidnappings of persons who are concerned about the people's misery."

"Under these conditions, we will continue the people's war because we have not signed a truce and because the misery and repression of the people continue to increase, and those to blame for it are principally the government, the rich, and the Army, states the URNG communique. [no closing quotation marks as received]

Serrano Assesses Tenure in Office, Energy Rates

PA1008194091 Guatemala City SIGLO VEINTIUNO in Spanish 4 Aug 91 p 3

[Text] After stating that it is necessary to increase energy rates, President Jorge Serrano Elias said that those who have enough resources must pay for their consumption of energy because it is unfair to pass the cost of generating energy to the residents of Chajul Cotzal and those who do not have energy.

The leaders of the MAS were confirmed in their posts during the national convention of the Solidarity Action Movement (MAS), held on 4 August at the Industrial Park.

Vice President Gustavo Espina Salguero, Public Health and Social Welfare Minister Miguel Angel Montepeque, Manuel Conde Orellana, Antulio Castillo Barajas, as well as deputies and departmental delegates of the MAS, attended the national convention. President Serrano assessed the first six months of his administration by explaining that "we are fulfilling the promises made during the electoral campaign." He said that he formed the MAS not as a social club or an employment agency, but to create an instrument that will permit structural reforms and the social and economic changes that the country requires to fight violence and attain peace.

The president announced that very important measures will be adopted next week to fight crime. Upon saying that "those who were close to being arrested were already arrested and are facing justice in court," the president claimed that an increase in security is being supported.

Serrano rejected the criticism about his administration, adding that he will not let others tell him what to do because he knows what he must do and he will not retract his ideas.

Serrano explained that after 30 years of internal armed conflict and 40 years of political murders, his government is gradually making progress in reaching positive agreements with the insurgents.

Serrano stated that the wages of workers increased considerably during the first months of his administration because inflation was reduced. He noted that the price of one pound of beans has gone from 3 to 1.40 quetzals.

The president mentioned that the state and municipal workers will receive a large wage increase in the next few days. He said that he has managed to achieve economic stability, which will allow the country to gain access to international markets before the end of the year.

Serrano warned his ministers and government officials not to politicize their institutions because, if he sees anyone engaging in politicking, he will be forced to resign or be fired.

Specific Affairs Ministry Reportedly Eliminated

PA0308024791 Guatemala City PRENSA LIBRE in Spanish 2 Aug 91 p 3

[Text] The government has confirmed that the Specific Affairs Ministry disappeared from the government structure on 1 August.

Antulio Castillo Barajas, who was the minister until yesterday, told this newspaper that his last act as minister was to sign the decree that declared an emergency in the country because of the worsening of the cholera epidemic. He said that he will now fill the post of secretary of political affairs because the Specific Affairs Ministry has closed its doors for good.

Castillo Barajas said that the ministry was a burden on the government because it cost 1.5 million quetzales to maintain. He added that the ministry's personnel has

been relocated to other government offices. He said the government closed the ministry as part of its austerity measures. Castillo Barajas said that the Specific Affairs Ministry was created during the administration of President Vinicio Cerezo Arevalo, but this government opted to eliminate it because it deemed it was unnecessary.

Honduras

Army Not To Request Persona Non Grata

PA0908201591 San Pedro Sula LA PRENSA in Spanish 7 Aug 91 p 5

[Text] Tegucigalpa—Armed Forces Spokesman Colonel Napoleon Santos Aguilar said yesterday that that institution will not request that Cresencio Arcos, U.S. ambassador to Honduras, be declared "persona non grata," because such a request can only be made by the executive branch through the Foreign Ministry.

It has been learned in the last few days that the relationship between the Armed Forces and the U.S. Embassy has deteriorated as a result of recent statements made by Arcos. The U.S. diplomat said recently that it was necessary to have a clean and fair trial in the murder case of Riccy Mabel Martinez. Col. Angel Castillo Maradiaga and Cap. Ovidio Andino have reportedly been implicated as suspects in this case.

Col. Santos Aguilar stated that the Higher Council of the Armed Forces has not discussed the Arcos statements. What I can tell you, Col. Santos Aguilar added, is that if the U.S. Embassy has made direct or indirect criticism, there are definitely appropriate channels to present a protest, if a decision has been made to that effect. However, he stressed that no protest has been presented.

Col. Santos Aguilar added that the Armed Forces are interested in resolving and investigating this case and other crimes just as much as Arcos. The Armed Forces spokesman added that a military judge ordered the arrest of Col. Castillo Maradiaga and Cap. Andino, because they may be responsible for the crime of Riccy Mabel Martinez. Col. Santos Aguilar explained that in the next few days the innocence or responsibility of the aforementioned military officers, who are currently under investigation, will be made public. He said that the two officers are under arrest at a military installation, which he did not identify, and not in a civilian jail, because the case is being investigated by military authorities.

The Armed Forces spokesman said that the arrested officers are being held incommunicado and do not enjoy any privileges, as many people have suggested.

Foreign Ministers Sign Cooperation Agreement

PA1008172091 Tegucigalpa EL HERALDO in Spanish 7 Aug 91 p 43

[Text] Colombian Foreign Minister Luis Fernando Jaramillo Correa and Honduran Foreign Minister Mario Carias Zapata signed on 6 August a joint statement that defines the future areas of cooperation in commercial, agricultural, scientific, educational, and other fields.

The statement's signature marked the end of the two ministers' workday. The foreign ministers met on 6 August to close the cycle of Honduran relations with the countries of the Group of Three (Colombia, Mexico, and Venezuela).

The statement stresses the foreign ministers' concern "for the lack of stability in the international coffee market." It states the need to coordinate their coffee policies, while taking into consideration the private sectors' interests.

Regarding the banana trade, the foreign ministers reiterated their "decision to continue the activities with the European Communities, which tend to maintain adequate access to that market and try to achieve the completely free trade of this product as soon as the European Common Market starts operating."

Jaramillo Correa is touring Central America, except for El Salvador, and is scheduled to arrive in Nicaragua on 7 August for his tour's third stop.

Besides meeting with his Honduran counterpart and the acting president, Jaramillo Correa was decorated by Carias Zapata on 6 August at noon and later reciprocated the gesture by decorating the Honduran foreign minister.

During the news conference after the meeting, Jaramillo Correa said they spoke about commercial cooperation. This conversation was carried out in accordance with the guidelines set by Colombian President Cesar Gaviria, who offered the nonreciprocal elimination of import taxes for the isthmus. They are trying to reach an agreement as soon as possible.

Foreign Minister Jaramillo Correa said they are trying to open the Colombian market to Honduran exports and that they are studying the different forms of technical cooperation in the fields of education, profesional training, agricultural technology transfer, the transportation of better quality sod for stock breeding, and others.

Jaramillo Correa said they discussed transportation and the urgent need to have maritime routes between the Group of Three (Colombia, Mexico, and Venezuela) and Central America. This is an urgent need because it would make it possible to apply the commercial concessions granted by the Group of Three to the Central American region.

The Colombian foreign minister said that, without maritime transportation lines and a regular and efficient service, there "would be no way of applying" the commercial concessions granted to the isthmus. Such concessions were expected to effectively support the economies of the region's countries and to strengthen their democracies.

Honduran Foreign Minister Mario Carias Zapata said that the meeting and the agreements signed with Jaramillo Correa close the cycle of President Rafael Leonardo Callejas' initiatives regarding the countries of Central America and the Caribbean.

The other point regarding foreign policy will be the San Pedro Sula conference to be held by the Central American countries and the Caribbean English-speaking countries that form the so-called Caricom [Caribbean Common Market]. The meeting is scheduled for the second half of November.

Colombian Openness Will Result in Unilateral Benefits

Asked whether the opening of the Colombian market to favor national exports was the first step to create a free trade market, Jaramillo Correa explained that in this case his country is unilaterally opening its doors to Central American products, without the reciprocity of free access to Central American markets.

Jaramillo Correa said that in this case the Colombian products will not have free access to the region's market, adding that such access could be obtained through a free trade treaty or reciprocity. Thus, he continued, his country's offer will "result in many more benefits for Central America."

Less Criticism by Cocaine-Consuming Countries

The Colombian foreign minister stated that he spoke with his Honduran colleague on the issue of illegal drug trafficking, cooperation between the two countries at the level of the judiciary branch and the attorney general's office, and on intelligence assistance to facilitate a direct flow of information in the struggle against the illegal drug trafficking.

Jaramillo Correa claimed that his country is willing to share with Honduras every piece of intelligence information and information on narcotics trafficking in order to fight this ominous market that damages young people.

Jaramillo Correa indicated that his country has paid a high price in the struggle against drug trafficking gangs with the deaths of high-ranking officials, judges, police, and others who have given their lives, and with the destruction of the country's physical infrastructure.

The Colombian foreign minister expressed that Colombia and the Central American countries, which are used as a transhipment point for drugs, should join their efforts to fight this scourge and obtain the solidarity of the industrialized countries, which are the largest drug consuming countries in the world.

Jaramillo Correa stated that the drug consuming countries represent the main incentive for the continuation of this evil market and of drug trafficking activities, given the high demand by the United States, Europe, and some countries in Asia.

Jaramillo Correa charged that the chemicals that are used in the preparation of cocaine come from industrialized nations. He added that they have no desire to eliminate the illegal trade of chemicals.

Regarding the dollars that are laundered by financial corporations, the Colombian foreign minister stated that the large industrialized countries have shown no willingness to resolve the handling of the illicit money by financial corporations.

Jaramillo Correa concluded by saying that "less criticism and more action" is required "by the developed world," and that less criticism should be aimed at the countries that take the heat in this struggle and more against those who carelessly view what is going on within their borders.

Public Forces Deny Attack on Italian Embassy

PA0908153191 Tegucigalpa EL HERALDO in Spanish 7 Aug 91 p 4

[Text] Tegucigalpa—Contrary to reports by various media, Public Security Forces (FSP) yesterday denied that one or several unidentified persons carried out a criminal attack on the Italian Embassy in Honduras.

According to FSP spokesman Cesar Somoza, the embassy was never the target of an attack. The recent incident occurred when an unidentified individual reportedly fired at some "Cobra" Battalion members or into the air. The incident could not be verified because the perpetrator fled.

Somoza said that the information was misinterpretred by the reporters who learned of the incident. His explanation, however, still casts a doubt on what happened.

Callejas on Armed Forces, Other Issues

PA1008170891 Tegucigalpa Voz de Honduras Network in Spanish 1802 GMT 9 Aug 91

[News conference by President Rafael Leonardo Callejas at the Toncontin Airport in Tegucigalpa with unidentified reporters; monitored in progress—live]

[Text] [Callejas] ...fills my family and me, in particular, with great satisfaction. Moreover, it is always a pleasure to return home. I am pleased to see that the rainy season has regained its strength, thus establishing a promising atmosphere for the early crops, which are always a source of worry, especially because of our need for products to supply the Honduran people. I am very glad to be home.

[Reporter] Mr. President, now that you are back in Tegucigalpa there are many issues for you to resolve. One of them is a proposal at Congress to abolish the position of the Armed Forces chief, and other collateral issues. What is your opinion?

[Callejas] I have no comment. I know that the proposal was sent to Congress and, of course, it is an issue that must be settled by Congress.

[Reporter] Mr. Callejas, did you take advantage of your visit to the United States to make international contacts or talk with U.S. Government spokesmen?

[Callejas] Of course. There is always some level of contact, even on informal visits. I had occasion to talk with Assistant Secretary of State Aronson about national issues. I received a few positive reports on economic issues and on the possibility of Honduras receiving increased support from the U.S. CSF fund [not further identified] at the end of the fiscal year. I am talking about approximately $10 million, in addition to what we have already received. I established indirect contact with World Bank officials, through our representatives and embassy, regarding decisions on the energy sector, these negotiations are well advanced.

Two important decisions were made in New York: We received the recognition of the nonaligned countries. They have agreed to the induction of Honduras into this informal political alliance. We will be inducted at the meeting of ministers in Accra, Ghana. Our induction was vetoed in 1988 and 1989. Now, by virtue of their recognition of our foreign policy, we have been accepted as members of what has been dubbed as the nonaligned countries, a name which, of course, no longer has the ideological connotation it had in the past, but is indicative of the understanding that exists among the countries with the most complex economic situations in the world.

In addition to this, we decided to continue studying and raising the possibility of Honduras becoming a member of the UN Security Council by 1993. We have informally proposed our candidacy and we believe that it is a goal that can be accomplished. I also contacted Jamaican Prime Minister Manley to consider the possibility of holding a meeting of Central American and Caricom [Caribbean Common Market] foreign ministers in San Pedro Sula in November.

Despite the informality of a meeting, one always takes advantage of them to make some effort at rapprochement toward various sectors of the world.

[Reporter] What is the opinion in the United States of your economic adjustment program? During your absence, bank percentages increased by two points. What do you think of this?

[Callejas] International recognition of our economic program has been very positive. I believe the country has made significant progress and, I reiterate, it is a very controversial issue. It all depends how it is viewed. From the point of view of the government, the domestic tax measures are highly positive. In July alone, our fiscal revenues increased by 74 million lempiras above the expected amount.

Of course, various aspects of the program are still undergoing adjustments, it is an adjustment program. In general terms, however, from the foreign point of view, the program has been very well received, it is looked upon favorably, and has received support. There is very strong support for the structural reorganization program.

[Reporter] Mr. President, the Riccy case remains controversial because it has not been resolved. What is your position on this?

[Callejas] I have expressed the view that this issue falls within the domain of the judicial sector or the judicial branch. Consequently, because the branches of state are independent, every aspect of this matter, which has created such a controversy and garnered so much publicity, as in the case we are referring to, implies that the case should be settled by the judicial branch.

[Reporter] Mr. President, certain people believe that the credibility of your government on issues such as human rights and respect for laws, are at stake.

[Callejas] I believe the Riccy case is truly abominable, it poses a very difficult situation, it is a crime that has very little precedent in Honduran history and, consequently, the judicial branch should do everything possible to resolve the case in accordance with judicial precepts and the proper application of justice.

The case has received broad national and international coverage, but the government is not even remotely involved in it and, therefore, it must be dealt with in accordance with procedures and aspects applicable within the jurisdiction of the judicial branch.

[Reporter] Mr. President, in your opinion what type of court should handle this case? Should it be a military court or a common court?

[Callejas] That depends on the decision by the judicial branch. I must reiterate that I would not like to get involved in this dramatic case beyond personally condemning and repudiating it. The case falls within the domain of the judicial branch, not the executive branch. It is important to view the case in formal terms because there is one government, but there are three branches of power. Under circumstances such as these, any subjective opinion on my part could carry a certain type of connotation instead of contributing to the case's resolution by the judicial branch. This is a situation that I must absolutely avoid.

[Reporter] Regarding the Armed Forces issue, what is thought of [words indistinct] regarding the initiative to abolish the post of Armed Forces chief. Do you believe that is feasible at present when the country [words indistinct]?

[Callejas] This is not new, it is not a topic that has just now emerged; it is an issue that is being used to generate a political atmosphere. The abolition of the position of the Armed Forces chief has been the subject matter of debates in this country since the position first gained

autonomy and was designated by Congress during the government of Ramon Diaz Morales. There has been an ongoing debate for almost four decades, 35 years or close to that. It is not a new issue. I would not like the Armed Forces issue to be viewed as an initiative sprung by surprise on the people. It is an issue that has been debated for some time, it has been discussed by the Armed Forces, it has been discussed by the commander in chief, the executive branch, and by various national sectors. It is not a surprise or a new initiative; it is just that certain sectors are taking political advantage of the moment to generate an atmosphere of debate over the issue. Nevertheless, it is an issue that must be discussed over the course of time; at present I am not in a position to state any opinions.

[Reporter] Nevertheless, Mr. President, the panorama has changed because—it is said—the initiative has the permission and support of the U.S. Embassy, which is determined to cut the size of the Army.

[Callejas] I hope that is not true. It would mean that the U.S. Embassy is meddling in the internal affairs of the country and I know that they restrict such actions. Therefore, in my opinion, their position is absolutely irrelevant to the adoption of national decisions.

[Reporter] By the way, Mr. President, because you are coming from the United States and you spent time in Washington, it has been said that there is tension at present between the U.S. Government and the Armed Forces. There has been speculation in this regard; can you confirm this?

[Callejas] Absolutely not. I have never received that message, nor have I heard it. Certain local media have reported this, but it has not had any repercussions in the United States, nor has it affected relations between the Honduran Army and Government and the U.S. Government.

[Reporter] Do you support the U.S. Government's foreign policy of reducing all of the armies of Latin America?

[Callejas] Oh yes. That is an issue that we have already considered and Honduras, to be sure, took the initiative in that effort before the Americans adopted their demilitarization initiative. The Honduran Government, starting in 1990 for the first time in its history—and this is something that we should not lose sight of from the point of view of the government's position—reduced the Army's budget by 10 percent from the quantitative point of view, and there have been economic adjustments which have seriously affected the budget of the Honduran Armed Forces.

The current Armed Forces commander in chief has reduced the size of an antiaircraft battalion, created a farming school within the Armed Forces, and terminated a brigade command. We are also considering a very different role for the Armed Forces, one in which it will join the struggle against drug trafficking and augment its involvement in environmental issues. We must not lose sight of the fact that it is still worrisome that as long as the country does not resolve its border conflicts, we must not go beyond our capability to defend our sovereignty. This is a vital issue; peace has not yet come to the Central American region, there have been incidents such as the one in Maculaca, there is a conflict in El Salvador, and there is a conflict in Guatemala.

There are two issues which we must be consistent: One, the resolve and determination to create a new role and a new dimension in national life for the Army; and second, that as long as peace is absent from the Central American region it is the duty of our Armed Forces to safeguard our national sovereignty. In my opinion, we have taken consistent steps in that direction and the debate must continue. This is why we have strengthened a new Honduran Armed Forces organization, the National Defense College, which is constitutionally mandated. Its purpose is to bring together the many sectors of our nation so that new theories can emerge regarding our options for national security.

[Reporter] Mr. President, regarding human rights, which are often said to have deteriorated the image of Honduras abroad, what is the prevailing attitude, especially in the United States?

[Callejas] We have taken very positive steps in the field of human rights. There are complex situations which, of course, emerge in our national life. I have seen the effort to make human rights violation cases out of two incidents which, unfortunately, have gained national prominence: the young Riccy's rape and the case of the citizen murdered in San Pedro Sula by a civilian. These are isolated cases. The country has a policy of respect for human rights. We are investigating the cases and the Attorney General's Office is trying to confirm the existence of a report on missing people and human rights, as you all know. It is a controversial and complex issue, and we must develop a policy that is consistent with the constitutional mandate of respect for human life, freedom of movement, freedom of press, and freedom of organization, because the government respects the legal context.

[Reporter] Do you have that report?

[Callejas] No, of course I do not have it. That is why the Attorney General's Office is trying to find out who has it by virtue of reports by the CODEH [Honduran Human Rights Defense Committee]. I do not have the report and the Armed Forces does not have it. Therefore, someone has to have it and that someone must publicly state....

[Reporter, interrupting Callejas] [Question indistinct]

[Callejas] I do not know that. I do not know who announced it, and I do not know if there is any information on the subject. I have not yet spoken to the attorney general about the report, but the Honduran Government and people are interested in knowing the scope of the report.

[Reporter] If you had the report would you publish it?

[Callejas] As soon as I get it I will disclose its contents to the public.

[Reporter] Did you not give a copy even to Engineer Arjona before he left? [former] President Suazo Cordoba said that he left a copy for Arjona when he left.

[Callejas] I do not have any document. I do not have any report, I have not received a report, I do not know if the report exists, I do not know who has it, why it is hidden, if it is hidden; in other words, if the report on human rights, which we are assuming exists—because I do not know—was presented during the era of Lopez Reyes, and was allegedly presented to Roberto Suazo Cordoba, it apparently was lost at this point. I support the Attorney General Office's efforts to find the document. It is important for us to find out: First, if there is such a report; second, what the report says; and once we have the report, to see what alternatives will be available to us for dealing with the information that may emerge from the report.

[Reporter] Mr. President, during your absence the cost of power also increased by 200 or 300 percent. Have you been informed of this? What can you tell the consumers?

[Callejas] The cost of power could not have increased to that extent by virtue of the existence of applicable rates based on negotiations with the National Enterprise for Electric Power [ENEE] labor union. The government, through subsidies, is complying with the negotiations in an appropriate manner.

To this effect, I even obtained a decision from the National Concerted Effort before I left, whereby independent audits would be conducted to find out where the problem lies. As citizens, we are entitled to know who is issuing bills, why we are being billed, and whether or not the bills violate the agreements. The ENEE is charging the rates approved and agreed upon by the many groups that participated in the negotiations that followed the meetings held by the government, labor federations, and the ENEE's labor union. I want to be very clear on this because the same thing happened the last time. We ordered an independent audit and it turned out that what the government said was true.

I can guarantee right now that the rates the Honduran people are being charged were agreed upon, and if higher rates are being charged, it is not the work of the government or the ENEE administration. We are going to find out who is acting against the consumers' interests because it is not the government. A rate was agreed upon and implemented. It could be that there is an accumulation of bills because you may recall that there was a strike, and when this happens the bills are not paid and they pile up for two months. The same thing happened the last time. This situation bears the same characteristics, it is the same phenomenon: A complaint by a consumer, the government's examination, the ENEE labor union's position, and their hasty call for a strike.

I believe that we should be prudent with strikes because they are very costly for the country. The consumers and the general public always pay the cost of strikes. Over the past 10 years, strikes have cost Honduras over 1 billion lempiras. Not only the strikes at the ENEE, but those by the banana sector and other sectors. Who pays this cost? The people, because after the strike they must wage a struggle to receive the salaries due from before the strike, the salaries for the days when they did not work, and compensation for the labor unions which, right or wrong, staged a strike. A great deal of prudence and concern is required. It seems to me that this attitude is not beneficial to either the consumers or the Honduran people.

[Reporter] Nevertheless, Mr. President, there are many complaints. Have you considered the possibility that you are being deceived by ENEE employees?

[Callejas] No, I am not being deceived by ENEE employees. The ENEE employees do not read the meters and they do not issue the bills. I am going to order the audit that we agreed on, and it will be disclosed to the Honduran public.

[Reporter] With regard to the [word indistinct] sectors, is it possible that the Central Bank will reverse its approval of the increased interest rates for the farming sectors?

[Callejas] I am not aware of that situation.

[Reporter] In your absence, the Central Bank increased its interest rates by 2 percentage points for the farming sector.

[Callejas] Which of them? There are many types of banking interests.

[Reporter] For export products.

[Callejas] If it is for export products, the increased interest rates are welcomed because more income will come into the country.

[Report] To conclude this news conference, can you confirm your trip to La Paz and Choluteca?

[Callejas] Of course. Tomorrow I will travel to La Paz to continue an important effort. I would like to take advantage of the presence of the media to say that today I was reading in a U.S. newspaper that the Americans are protecting their southern border from the cholera epidemic, which has already reached Guatemala. I would like to remind the Honduran people that this is our number one problem. Tomorrow I will travel to La Paz and on Sunday I will travel to Choluteca. We must not lose sight of the fact that cholera is the country's leading problem.

I am taking advantage of this warm welcome by the media to remind the Honduran people three very important things: wash your hands before eating, boil your water, wash your vegetables, and take care of yourselves because cholera will, unfortunately, arrive and this is something that only the citizens—not the government

and societies—can fight. It is a problem that faces each of us and I thank you for allowing me to state this once again so that the people will not lose sight of the fact that cholera is a scarce 100 km from Honduras. Countries like the United States are concerned, and to defend ourselves we must act responsibly. Our leading problem is cholera.

ONUCA Asked To Monitor Nicaraguan Border

PA0908225891 Tegucigalpa Telesistema Hondureno Television Network Canal 3 in Spanish 0100 GMT 7 Aug 91

[Letter sent by Foreign Minister Mario Carias Zapata to Chief Brigadier General Victor Suanzes Pardo, head of ONUCA, UN Observer Group in Central America—3 August]

[Text] Mr. General: I am writing to you concerning the armed incidents that have recently taken place in Nicaraguan territory involving members of the Sandinist People's Army and persons opposed to that country's government.

In this regard, I would like to express our government's concern. According to information we have received, some of those clashes have taken place near the border with Honduras.

Given that, my government requests that ONUCA [UN Observer Group in Central America] take all measures it deems necessary as quickly as possible, given the nature of the case, to prevent our national territory from being used by the aforementioned forces in violation of the Esquipulas II Agreement, the wishes of the Honduran Government, and international law.

Under the circumstances, as is its right, the Honduran Government calls on ONUCA to proceed with the installation of the necessary number of observation posts along the joint border to prevent people from Nicaragua from passing through to attempt to destabilize their government and to prevent such groups from using, in any way, our national territory.

We are confident that ONUCA will consent to this request.

I am very truly yours,

Mario Carias Zapata, foreign minister

Military Warns Against Political 'Manipulation'

PA1008055491 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 9 Aug 91

[Text] Colonel Luis Alonso Discua, the Armed Forced commander in chief, has referred to a draft bill presented yesterday by Deputy Carlos Sosa Cuello, of Social Democratic Innovation and Unity Party, which calls for the elimination of the post of Armed Forces commander. The military commander warns that the Armed Forces constitute a serious institution and will not be a party to political games. We have here his statements:

[Begin Discua recording] First, I would like to say that I respect the deputy's proposal, however, it is the position of the Armed Forces that its rules and regulations are stipulated in the Constitution. It is a professional, apolitical, obedient, and nondeliberative institution, therefore, it is a matter of great concern to us when the Armed Forces as an institution is being politically manipulated for dishonorable objectives. Nevertheless, I want to make it clear that the institution has its rights—which have been granted by constitutional governments—and its rules and regulations are contemplated in the Constitution. [end recording]

General Luis Alonso Discua reports on the analysis done by the Armed Forces in light of the latest events.

[Begin Recording] [Discua] The Armed Forces have carefully analyzed the latest events. The Armed Forces must be respected as an institution. This is an institution comprised of different people with different personalities and different ways of doing things. Nevertheless, an institution cannot be judged by the actions of individuals. Therefore, as an institution, I believe that we should be respected.

[Reporter] Would you respect the draft bill if it is approved?

[Discua] The Armed Forces is and has been the guarantor of this government's constitutionality.

[Reporter] Then, general, you do not agree with that position?

[Discua] [Words indistinct] [end recording]

These were statements made by Armed Forces Commander Col. Luis Alonso Discua. This is the first reaction of the military high echelon to the motion presented yesterday at the National Congress to reform the Constitution as regards the commander of the Armed Forces, among other topics.

Nicaragua

Agreement on Foreign Debt Signed With Colombia

PA0908214691 Managua Radio Sandino in Spanish 1220 GMT 8 Aug 91

[Text] Colombia and Nicaragua agreed in Managua yesterday to renegotiate as much as 90 percent of the Nicaraguan foreign debt, which adds up to some $46 million. The agreement was signed in Managua by Foreign Minister Luis Fernando Jaramillo, who arrived in the country yesterday on an official visit, which will include a meeting with President Violeta Chamorro.

In statements made to journalists, the chief of Colombian diplomacy said this represents a great effort for Colombia, but we are doing it to cooperate with the

Nicaraguan democratization process, said Jaramillo, who is paying a 24-hour official visit to Nicaragua. The debt has been reduced to only $3 million payable in 40 years, which practically means $43 million of the debt has been pardoned, the chief of Colombian diplomacy said.

Station Commentary on Daniel Ortega's Threats

PA0908153591 Managua Radio Corporacion in Spanish 2300 GMT 8 Aug 91

[Station commentary by Jose Castillo Ocejo]

[Text] Many may disregard what Engineer Alfredo Cesar reported to the world through the ACAN-EFE News Agency on 7 August, however, others consider his report very serious. Considering Mr. Cesar's current position and the person who issued the threats against him, the issue becomes very dramatic and the plan is very ominous. We do not know why—out of habit, due to their ideology, or given their education—Sandinists issue death threats, acting as life were worth a shelled peanut, like the ones sold by the famous Cacahuiche at the circus, instead of using correct arguments to defend their causes and positions. Daniel Ortega has been incapable of evolving—he still lives in the wild, selling traps; that is, if he ever went to the mountains—because he issues death threats for everything. It seems that the post of president proved too much for him and he failed to realize that he had become the leading citizen of the nation. Whether we like it or not, this was unfortunately the case—Daniel was president of this country.

Let us go back to our topic. Regarding a bill submitted by the National Conservative Party to the National Assembly, we all know what the FSLN [Sandinist National Liberation Front] has done: Bombs exploded at political leaders' houses and party headquarters; deputies were threatened; etc. Daniel knows that they have no right or reason, so the first thing they do is to issue threats. They say that they will turn the country upside down, as if they had not left it like this; as if this were a marvelous situation; as if all were normal. The situation gets worse. Whoever threatens the National Assembly president with death, here and in any other country, deserves to be immediately locked up in jail—regardless of who it may be. It goes without saying that no authority may issue a license to kill. Therefore, this man has no right whatsoever to do it, even if he is a former president.

Sandinists act recklessly, so Miguel D'Escoto Brockman immediately followed suit and began to threaten to send his hordes to the National Assembly and knocking down the first person they find, whoever he may be, because they own Nicaragua; and whoever opposes them will be crushed to death—like the chief of the caretakers at the Leicestershire Zoo was crushed to death by a 25-year-old elephant who suffered a leg injury.

I imagine that the priest by name, but Marxist by heart, learned very well the lesson of threatening and endangering the lives of peaceful citizens who strive to achieve peace and work tirelessly to achieve a reconciliation. Perhaps this obese man believes that goodness is equal to cowardice, and he wishes to avail himself of the judiciousness of those who are fed up with so much bloodshed and violence. What do you think? A former president issues death theats only because the sovereign and very free National Assembly will discuss on 20 August a bill whose main goal is the abolishment of laws that were approved hastily during Sandinist times and that are now known as the damn decrees [decretos puneteros].

Daniel thinks nothing can be done here without the FSLN's acquiescence, without the Sandinists' approval. Their attitudes show that these people believe they have bought the nation and that no one has rights, only obligations. We assume that Daniel's threats and Miguel's dislocated actions will not scare the 51 UNO [National Opposition Unity] deputies, who should impose order in a disorganized house. If we carefully analyze the Sandinists' attitud., we will realize that they do not have the slightest interest in cooperating to overcome the present state of the country. Quite the contrary, they are doing everything so that the situation becomes even more complicated. They are getting even with the people who voted against them and sent them packing once and for all. They know that they will never achieve power again. That is why they are doing the impossible to cause problems.

Their behavior would be quite different if they really knew that they had another opportunity. They would try to win over those who quickly became disenchanted and they would present the other side of the coin—but that is not the case. Their attitude is typical of those who feel defeated; those who expect nothing more; those who have lost everything. We hope that the government will act quickly and decisively so that their threats are not implemented and bloodshed will be avoided. If we believe President Chamorro's statements, who said that the Army has acted according to her mandates, then we can expect to see everything under control and the threats will be nothing more than that—threats and pressure exerted by Daniel and his acolytes. Let us hope so. Thank you.

Godoy Criticizes Government Double Standard

PA1008015491 Managua Radio Catolica in Spanish 1130 GMT 7 Aug 91

[Text] Vice President Virgilio Godoy has said that the country has been immersed in a dangerous situation because of the government's double standard with regard to the Sandinists and the former members of the Resistance. Some important officials have expressed a predisposition for attacking former members of the resistance with every weapon available, he said.

The vice president has warned that a government error could lead to a tragic situation.

[Begin Godoy recording] In recent weeks, a somewhat dangerous situation has been growing in our country

because there are double standards, two yardsticks, two criteria. When retired Sandinist People's Army [EPS] personnel are found to be involved in some incident, the government usually reacts by saying nothing, but when former members of the former Nicaraguan Resistance are involved in an incident, very strong statements are heard from the deputy government minister and the minister of the Presidency, who have stated their willingness to use all the irons available, as the people say, to resolve these problems. I believe that this has led His Eminence Cardinal Obando to state his concern about the possibility that peace could be disrupted as a result of unwise actions by the country's authorities.

Now that there are talks taking place between what are being called the recontras and the government in Pantasma, I believe that common sense must prevail to keep problems from reaching levels not manageable at the political level. This situation has everyone's attention, because it would be a tragedy if Nicaragua had to again follow the path of war that supposedly was closed a year ago with the disarmament and demobilization agreements despite the fact that the promise about reducing the country's military and security apparatus has not yet been fulfilled. [end recording]

Vice President Godoy stated that the government has failed to fulfill its disarmament commitments and that former members of the resistance are being victimized in repressive actions by former security agents turned police commanders.

[Begin Godoy recording] It is important that the people of Nicaragua know how this situation began because the possibility of peace being disrupted, or the disruption of peace, is not, I do not believe, the product of a whim—at least not on the part of those who put down their arms and were demobilized. There were agreements signed in this regard, at Toncontin Airport, Honduras, and in Managua, at the Intercontinental Hotel, where the conditions under which the members of the resistance were to be disarmed were definitely agreed upon. So, while the commitments reached with the contras have not been fulfilled, there have been no important changes in the country. This is another source of frustration.

The third source of frustration is that when the order was given to dissolve state security organizations, its officers and a significant number of state security agents went to form part of the Army, and part of the police force.

In the case of the police, the arriving state security officers became police unit commanders in various parts of the country, but especially in areas where former members of the resistance are settling. All this has led to systematic repression, including the death of many former resistance members, approximately 200, it has been estimated. Hundreds of these people have been put in jail. In other words, there is generalized insecurity.

Therefore, noncompliance with the agreements signed in Toncontin and Managua, the fact that expected changes have not been made, and the proliferation of repressive measures have inevitably led to what is happening. The government, or some people in the government, are seeing all this as an opportunity to make themselves look good, so they are going to dust their whips and take care of these people. If the government unwisely tries to resolve by force a problem that the government itself created, it would be taking a step that would place peace in great danger. [end recording]

No 'Action' Against Striking Police Asked

PA1008231291 Paris AFP in Spanish 2019 GMT 10 Aug 91

[Text] Managua, 10 Aug (AFP)—The Managua police, who have been on a partial strike for the past five days demanding a salary increase, have asked Government Minister Carlos Hurtado today not to order repressive action to be taken against the strikers.

The police protest movement began in Matagalpa, 130 km north of Managua, and subsequently extended to the capital.

Members of the Managua police force issued a communique on 10 August in which they requested that Minister Hurtado instruct senior officers "not to repress" the strikers who are also requesting a "revision" of the Government Ministry's budget.

That institution's budget is $8.1 million and a policeman's average monthly salary is between $40 to $100 per month.

In their communique, the policemen warn that their comrades in arms at the National Police workshop in Managua have been disarmed and threatened by a deputy commander identified as Miguel Campos.

The strikers state that they "respect and obey" the orders of superiors, however, given the difficult economic situation they are experiencing, they have decided to demand a salary increase. The policemen on strike and Government Ministry authorities held a meeting on 9 August that concluded without any agreement being reached.

Cardinal Condemns 1 Aug Violent Incidents

PA1008130591 Managua LA PRENSA in Spanish 5 Aug 91 pp 1, 12

[Report by Jose Davila]

[Text] On Sunday, 4 August, Cardinal Miguel Obando y Bravo delivered a very strong homily. Cardinal Obando y Bravo talked about the hot issues currently affecting the Nicaraguan people. The cardinal based his message on the need to build a new, authentic man who "is regenerated by grace." Obando y Bravo strongly condemned the 1 August incidents, insisted on the establishment of a de jure state, reaffirmed that reconciliation must be based on justice, and called on the government to fulfill its promises to those who have laid down their

weapons so that the peace we are "more or less" enjoying will not be lost, thus preventing more bloodshed.

Cardinal Obando y Bravo asked himself: What kind of man are we? The new man, the working, charitable, solidary man who meets his obligations to family and society? Or are we the prototype of the "old" man who is selfish, hateful, full of envy, and who is part of the culture of death, who seeks to benefit himself and does not believe in solidarity?

"When I read the newspapers and learned what happened on 1 August during the procession in honor of Saint Domingo, I asked myself: Those persons who committed acts of violence, barbaric actions, caveman actions, are they new or old man? They are not the new man. The men who threw bottles and stones, who unsheathed knives and even hit the Saint Domingo parish priest and wounded the altar boy cannot be new men."

The Catholic priest said that many of those people who attend these religious events are truly devout Catholics, but that there are some who are not Catholics and who use these occasions to commit the aforementioned crimes.

"I like to see the people happy, but those barbaric actions do not represent happiness. Those are the kind of actions carried out by the old man, who endangers the people. I believe the authorities should intervene and I want to insist that it is necessary for all the Nicaraguan people to establish a de jure state. Without a de jure state the situation could become very serious," Cardinal Obando y Bravo said.

In this country anyone can go into a radio station with weapons, open fire, break windows, endanger the lives of people, take what they find, leave as though nothing had happened, and the authorities will not intervene, Obando y Bravo added.

"There is an absence of a de jure state and I believe that we must continue to strive to achieve one," the spiritual guide of the Nicaraguan people stressed.

Regarding the reconciliation issue, the cardinal said that there are times when it hurts to speak of it because it is an issue that has been distorted and faked.

"We must continue to strive toward reconciliation because reconciliation leads to forgiveness. But those who made mistakes must also correct themselves; they must make an effort to change because, I repeat, reconciliation must be the result of justice."

If we do not act in this manner, the cardinal added, the peace we more or less enjoy, one that has cost us so much to attain, could be lost and it would be very sad to lose it.

"There seem to be serious problems up in the mountains and this is because there is no authentic reconciliation. Promises have not been kept and when promises are not kept, things like this will happen. This is dangerous because it could result in more bloodshed," the Nicaraguan cardinal said.

Let us stop and think about what we must do to become new men and bury, once and for all, those caveman actions, those barbaric actions like the ones we saw on 1 August. Let us bury that culture of death. The culture of life must prevail in Nicaragua, Cardinal Miguel Obando y Bravo concluded.

Following the homily, several reporters approached Cardinal Obando y Bravo for more details on the issues broached during his homily. Obando y Bravo said that during events such as those on 1 August, the authorities should guarantee order and enforce the law.

"I hope that on 10 August, the day when Saint Domingo is returned to the church, that the event will take place in an orderly fashion and that the authorities will guarantee order; otherwise, the situation could become dangerous because there could be confrontations among the various groups," Cardinal Obando y Bravo said.

Regarding the situation of those who laid down their weapons and who are now creating unrest, the cardinal said that he does not want more war. He added that he had put in much work to attain peace and in the same manner he asked the Nicaraguan Resistance to lay down its weapons, he now asks the government to keep its promises. Obando y Bravo said he knows that it is not an easy task to satisfy the demands being made for land but disarming the paramilitary and the civilians and guaranteeing the lives of the demobilized is something that may be done.

Radio Station Demands Punishment for Attackers

PA0908184591 Managua Radio Corporacion in Spanish 2300 GMT 8 Aug 91

[Station announcement: "A Call to the Government Ministry"]

[Text] On 24 June Radio Corporacion formally accused the criminals who attacked its facilities. According to Law No. 37 of 18 April 1988, which deals with penal procedures, the police have nine days to transfer the case to the General Attorney's Office. More than 30 days have passed but the police have done nothing about our charges.

We call on Government Minister Carlos Hurtado to order Police Director Commander Rene Vivas to handle our case and transfer it to the Attorney General's Office. The attackers, who raided our offices and robbed and endangered the lives of several people, are off scot-free. They even work for Sandinist radio stations.

We demand justice! The criminals should be in jail!

[Signed] Radio Corporacion.

Nueva Segovia Groups Issue Peace Declaration

PA1008134891 Managua BARRICADA in Spanish 9 Aug 91 p 4

["Joint Declaration for Peace" by the Nicaraguan Resistance, RN, Nicaraguans Repatriated by the UN High Commission for Refugees, UNHCR, and the Sandinist National Liberation Front, FSLN]

[Text] We, demobilized members of the Nicaraguan Resistance [RN], Nicaraguans Repatriated by the UN High Commissioner for Refugees [UNHCR], and members of the Sandinist National Liberation Front [FSLN] from Nueva Segovia Department,

Whereas:

1. It is necessary to have peace and stability in the country to be able to initiate its reconstruction and to improve social and economic conditions throughout the country with security for all,

2. To secure complete pacification and stability it is necessary for all Nicaraguans who have actively participated in the military conflict to state our will for peace and to assume specific commitments to keep our country safe from any new war,

3. We, the people of Ocotal, including the demobilized members of the RN, the Nicaraguans Repatriated by the UNCHR, and the Sandinists, have clearly stated our willingness to coexist peacefully and to join efforts to search for solutions to our common land, housing, and employment problems. We want to demonstrate by example that it is possible and necessary to coexist peacefully. No incident has disturbed the harmony that exists in Ocotal,

Resolves:

1. To urge the people who live in areas of conflict to set aside sectarian attitudes and to establish contact with sectors having different political positions and attitudes so that all sides can be mutually informed of the others' points of view, demands, and needs, to contribute, with flexibility, tolerance, and realism, to find solutions.

2. We are against all acts of violence, such as the one that occurred 25 July 1991 in Quilali, where armed groups attacked the National Police. We urge those groups not to let themselves be spurred on by irresponsible provocateurs who have never endured the rigor of war. We also hold the government responsible for this situation because it has demonstrated an indifferent attitude in the face of previous similar events.

3. We have constituted the Departmental Reconciliation Commission. It is headed by the RN, the Nicaraguans Repatriated by the UNCHR, the FSLN, and the Office of the Municipal Mayor of Ocotal. Other organizations will be joining this commission to work for solutions to the problems we are enduring now and to resolve contradictions through dialogue and negotiations.

4. We urge Mrs. Violeta Chamorro to either come in person or to send a high level government delegation to Nueva Segovia Department so that together we may start working to find a solution to the big problems burdening the people and to answer the demands of the needy sectors, because the lack of solutions is the main reason for the instability we are enduring.

Cordially,

[Signed] Arnulfo Aguilera Manzanares, mayor of Ocotal; Carlos Goussen Lopez, FSLN departmental coordinator; Santiago Lopez Lopez, from the RN departmental board of directors; Reynaldo Jarquin Cano, departmental president of the Nicaraguans Repatriated by the UNCHR.

Recontra Leader El Indomable Wants EPS Expelled

PA0908214591 Managua Radio Sandino in Spanish 1219 GMT 8 Aug 91

[Text] Recontra leader El Indomable insisted on the expulsion of the EPS [Sandinist People's Army] from the northern part of the country and insisted that the police command be given to him. The recontra leader made the proposal to Government Minister Carlos Hurtado, who traveled to Quilali to hold talks with the recontras, who have mobilized into groups of 15 or 30 armed men. Peasants in the 6th Region have expressed fear at the resumption of fighting with the recontras.

Yesterday, Presidency Minister Antonio Lacayo said that some of the proposals made by groups of recontras are feasible but did not specify which proposals.

Commentary Says FSLN Must 'Take Sides'

PA0908183991 Managua BARRICADA in Spanish 4 Aug 91 p 3

[Commentary by Giulio Girardi: "Between Reconciliation and Class Struggle]

[Text] One of the fundamental issues the Sandinist National Liberation Front [FSLN] must face as part of its democratic and revolutionary opposition is the need to address two types of basic but largely contradictory demands: reconciliation and popular interests.

This is not an easy task because the pledge of reconciliation implies not only the defense of national stability and social peace but also support for the government's plans for economic recovery and, therefore, for the sacrifices inherent to its accomplishment.

We are dealing with the stability of a bourgeoisie, neo-liberal government, whose economic restoration plan favors the interests of large private, national, and multinational capital, in accordance with the directives received from the United States and the U.S.-controlled financial organizations. The cost of this plan is borne by the masses in social terms, poverty, hunger, disease, infant mortality, etc.

Therefore, a contradiction seems inevitable between national reconciliation and popular interests. They are in opposition precisely because of the "class struggle," the reality of which cannot be seriously denied in Nicaragua. Therefore, the FSLN must establish how it will prioritize these two issues when it deals with the conflicts that continually emerge, as proven by the experience of its first year in opposition. In other words, the FSLN must take sides in the class struggle—in practice, not only in theory.

This taking sides and this practice of stating national and popular issues strategically is essential, in the new phase, to the establishment of the FSLN's identity and the meaning of its revolutionary opposition. This was one of the main dilemmas the FSLN congress faced. What options did it have? At first sight it had none because the two demands were constantly reaffirmed and never pitted against one another.

The Closure: A Hymn to Reconcilation?

Nevertheless, those who observed the entire event from the outside may have come away with the impression that the assembly finally sided definitively with national reconciliation. The closing event was marked by the presence of a government delegation and by very serious speeches by General Humberto Ortega and Presidency Minister Antonio Lacayo, who received overwhelming ovations from the congress participants. Both speeches presented well-outlined answers to the country's problems.

Antonio Lacayo interpreted the congress. He said he was pleased with Sandinism's renewed pledge for peace, reconciliation, concerted effort, policies of rapprochement toward the former members of the Nicaraguan Resistance, defense of the oppressed, and construction of a new social and economic model advocating the nonexploitation of man by man. This interpretation of the congress allowed him to assert: "President Violeta Chamorro's government shares these values." Therefore, "looking to the future, more things bring us together than separate us." Thus, the presidency minister invited the FSLN to join the "national plan" promoted by the government to "build the structure of our nation."

Lacayo did not make any reference to the contradiction between national reconciliation and social conflict. This was not the case with Gen. Ortega, who advocated the "unity of all the patriotic and nationalist forces" as the sole prospect for future economic recovery and Latin American integration. However, he stated the proposal in controversial terms, aware that he was demanding of the FSLN a profound change of views imposed—according to him—by the state of upheaval that exists in Nicaragua and the world.

He asked for a change from the years when he was active in the FSLN ranks, when "we mechanically guided ourselves with Marxist manuals and when we fought for the proletarian dictatorship, believing that one class was going to crush the other class. Humberto said: "we cannot work with doctrinal elements of the past." In other words, Gen. Ortega said one must choose between national reconciliation and class struggle. Choosing national reconciliation is a profound change for the FSLN and to some has seemed like treason. "They call us," Humberto said with bitterness, "betrayers of the revolutionary cause." That is why many "have not understood the role of the police when confronting a social protest." Humberto, however, strongly denounced the irresponsibility of the extremists: any "permanent strike by the extreme left demanding goals that a responsible union would never make, because they are impossible to meet, is condemning the country to a greater crisis, thereby making the revolutionary cause more difficult."

The Secretary General's Reply

Now, can one consider these two speeches—which were loudly applauded by the delegates—as the congress' objective interpretation? The reply in FSLN Secretary General Daniel Ortega's final speech was clearly negative.

Ortega spoke very strongly about the serious ambiguities of formulas such as "national project," "national unity," "national reconciliation," and "Latin American integration." These same words often conceal antiethical perspectives. Thus, Antonio Lacayo's converging programs and values seemed to be seriously questioned by Daniel Ortega.

The problem that lies before us, Daniel said, is: What national project? What national unity? Serving whose interests? The neoliberal project, which is being imposed on Nicaragua and all of Latin America, impoverishes and separates the popular masses and impedes the attainment of a true national project. "If the intentions do not materialize, that road will not lead us to heaven, but to hell."

What is needed then is to create another truly national project that has as its axis the interests of the popular masses. Only such a project can create a national unity and a Latin American integration that is respectful of our sovereignty. With this spirit, Daniel concluded his guidance for the militants to go back to the neighborhoods and "work for the poor, the unemployed, and the hungry."

The secretary general's conclusions bear greater importance inasmuch as they unify the popular and peasant option that marked the congress and constitutes perhaps its basic characteristic. It will be important then to reflect even more on seriously taking over the party and seeking a way for these principles to become the flesh and blood of the party, and also become the axis for a true national unity.

This is because the serious problem of the relationship between the coherent defense of the people's interests and national reconciliation has been deeply restated by the options presented by congress, but has not been

solved. When the National Directorate's Central Report states that "the electoral defeat reconfirmed the viability of a profound democratic revolutionary process," it has set forth a brave thesis whose verification is precisely the task for the future.

Panama

PAPO Leader Views U.S. Ambassador's Comments

PA0908180491 Panama City EL SIGLO in Spanish 8 Aug 91 p 38

[Text] Dr. Julio Berrios, vice president and secretary of international affairs of the People's Action Party [PAPO], has granted an interview to ACCION [PAPO's page on EL SIGLO] to speak about the latest statements made by U.S. Ambassador Deane Hinton.

As for the latest statements attributed to Ambassador Hinton—and later denied by the U.S. Embassy, in which the Foreign Minister and President Endara are criticized—we believe that the Foreign Ministry should instruct our embassy in Washington to investigate if in fact the statements were actually made.

If the report released by our diplomats in Washington effectively confirms that Ambassador Hinton made such statements, the national government should proceed to declare him persona non grata because no foreign diplomat should be allowed to criticize the government to which he has been accredited. Such actions, if they are indeed true, constitute a flagrant violation of the 1961 Vienna Convention on diplomatic relations and the most elemental principles of international courtesy.

National problems should be discussed and resolved among Panamanians.

U.S. Soldiers Reported Heading Toward Darien

PA1008204191 Panama City EL SIGLO in Spanish 10 Aug 91 p 5

[From the "Leaks and Tips" column: "Gringos Going to the Jungle"]

[Text] Forty trucks and Hummers filled with gringo soldiers were seen heading toward Darien, presumably to confront the guerrillas that the government minister says do not exist. We would like to know who requested this new intervention by the U.S. Army in our country? Possibly the U.S. Embassy or Southern Command will now assert that the soldiers are on routine excercises that are part of the canal treaties or that the troops belong to the "Strong Roads 91" program.

Christian Democrat on Renegotiation of U.S. Bases

PA1008003591 Panama City EL PANAMA AMERICA in Spanish 8 Aug 91 p 4-A

[Article from the "Opinions" op-ed page by Legislator Guillermo Cochez, vice president of the Christian Democratic Party: "Should the Bases Be Renegotiated With the United States?"]

[Text] If there were a code of ethics by which we politicians were to guide our actions before the people, the first rule—the violators of which would be jailed—might be to prohibit us from generating false expectations and creating idyllic hopes among the people.

It does not take being an expert on political theory—though 29 years of uninterrupted political militancy with the same party has taught me to recognize what goes in this circle—to know that in politics, as in any science, one can find almost anything: the good, the bad, and the ugly. One can find the passionate young student and the mature statesman who is capable of placing the country's interests before his own; the politician who promises to build a bridge, and when he realizes there is no river, promises to build that too; and the one who does it before even promising. One can find the man who follows the wrong road, with disregard for the consequences of his words, in the belief that he will receive an electoral or personal reward, and the one who says nothing until he has measured the results his words may have.

For a few months now, the ever closer reality of the upcoming closure of the U.S. military bases in Panama has stirred up all kinds of arguments. Union leaders representing workers who will be fired have raised their voices of protest, with just concern, for this not to happen. Concerned citizens, whose patriotic fervor we cannot question, have cited the urgent need to renegotiate the bases agreements, as if this were the imminent solution to the problem, as has been done and will continue in such countries as the Philippines, Turkey, Greece, and Spain. Legislators have joined this campaign to avert the dismissal of over 6,000 employees before the renegotiation of all the U.S. military bases, although I have not yet been able to determine whether they are acting out of fear of losing markets where they can sell their beer and other products through the military PX facilities, or out of true love of country. These 6,000 people work on the bases earning good salaries that contribute enormously to the economic development of the country.

The decision on the military installations that the United States have on our territory, legalized by the Torrijos-Carter Treaties, does not depend in the least on what we Panamanians do or do not want. It is based on a national policy, established several years ago by the U.S. Congress, to progressively and substantially reduce that country's defense spending by thousands of dollars [as published]. The decline of the USSR as a world threat has helped the defense austerity program move along.

Besides the enormous reductions overseas, the program also calls for the closure of 100 bases within the United States itself, which will leave many U.S. cities, the entire economies of which revolved around Navy stations, Air Force bases, or military training centers, out in the cold.

Hence, to urge renegotiation of the U.S. bases in Panama is to build hope in the Panamanian people that we can change the course of that U.S. policy and prevent the dismantling of some or all of the U.S. installations on the Atlantic and Pacific coasts of Panama.

Without looking at any political considerations or analyzing what closing them will mean to our sovereignty, those who approach the issue as if we alone could solve it are deceiving the people. They are generating false expectations and creating illusory hopes. This simply does not depend on us and, therefore, such actions must be described as completely irresponsible.

During the years of the military regime and the year and a half of democracy, Panama has failed. We have failed to put the reverted areas to good use and we are not ready to receive what is about to revert. We have failed to plan what we will do about the continuing devastation of the canal's hydrographic basin in order to insure that the waterway will have enough water to operate by the year 2000. We have failed to draw up an economic development program for these areas, which will compensate for the jobs that will disappear with the closure of all, or most of the military bases.

We cannot continue to offer hope and illusion that will never come true to people who are tired of spineless government officials and study commissions that never yield results. What the country needs instead is to face the problem as a whole, as the Christian Democratic Party has recently suggested, and come to a national consensus with the participation of all the country's political and civilian forces.

To speak only of military bases and their renegotiation to prevent Panamanians from being laid off, without thinking of the overall perspective, is the same as trying to cure the trunk of a sick tree by treating only one branch.

Cuban Envoy Delegation Visits Legislators

PA0908154091 Panama City CRITICA LIBRE in Spanish 8 Aug 91 p 19

[Text] A delegation of Cuban deputies recently visited Panama on an invitation from the Panamanian Legislative Assembly. The visit was made at the conclusion of the 13th Latin American Parliament meeting held in Cartagena, Colombia, which the visitors also attended.

The Cuban delegation was received by Arnulfo Escalona, acting president of the Legislative Assembly; Lukas Zarak, vice president of the Legislative Assembly; and legislators Olimpo Saez, president of the assembly's Foreign Relations Commission; and Alberto Cigarruista.

The Cuban parliamentary delegation was headed by Zoila Benitez, vice president of the National Assembly of the People's Government, who was accompanied by Ramon Pez Ferro, head of the Foreign Relations Department of the Cuban National Assembly; and by Roberto Bello, another member of Cuba's National Assembly.

The courtesy visit by the legislators was used to discuss the work that the two parliaments are conducting to preserve commercial and diplomatic relations between Panama and Cuba and on the people's participation to resolve the country's problems [not further identified].

It has been reported that during the Cartagena meeting, the Latin American parliamentarians stated their willingness to join efforts to pursue Latin America's integration and to view the Guadalajara Summit as an important event because this was the "first time" in history that this sort of meeting occurred in response to a voluntary Latin American convoking.

The vice president of the Cuban parliament outlined the good points of her country's system, noting that the people's participation in the decisions aimed at resolving some problems is notable. She said that Cuba's parliamentary work is "superior" in comparison with that of other Latin American countries.

Deputy Minister Comments on Arnulfista Attitude

PA1108013891 Panama City CRITICA LIBRE in Spanish 10 Aug 91 pp 1, 22

[By Florencio Galvez F.]

[Text] Deputy Minister of the Presidency Miguel Batista hinted yesterday that militants of the Arnulfista Party of President Guillermo Endara Galimany are prepared to take up arms to defend Panama's democracy, if necessary.

We are prepared to do it "every time," said the Arnulfista politician when questioned about alleged plots by former members of the military displaced from political power on 20 December 1989 as a result of the U.S. invasion of our country.

Batista reiterated his support for President Endara, noting that the Panamenistas have endured prison, exile, and life in the mountains, and noted that his political group has been in existence for 50 years.

The deputy minister said that "Endara will face all obstacles" and in 1994 will "deliver the government to whoever may defeat us in free elections."

In noting that he views the plots by former military as something to be expected, Batista said: "We spent 21 years conspiring against them." He added: "Let us see if we let them win."

The Arnulfista leader said that the military lost their criminal structure, as well as all their privileges. Therefore it is to be expected that they will conspire.

Batista made this statement at a meeting at the headquarters of the Arnulfista Party, whose secretary general, Hector Penalba, has announced that the party's national convention will take place on 29 September in Penonome, Cocle Province.

In that convention, the Arnulfista Party will try to assure its participation in the 1994 elections, Penalba stated.

"There is no division in our party," said Penalba regarding criticism from Jose Salvador Munoz, leader of the Doctrinaire Panamenista Party—which was registered as a party by the Electoral Tribunal of Panama on 8 August.

The members of the Arnulfista Party are commemorating today, 10 August, the third anniversary of the death of their spiritual guide, Dr. Arnulfo Arias Madrid, who was president of Panama on three occasions. He was overthrown for the last time on 11 October 1968 by a military coup.

Endara Asks Journalists To Draft New Press Law

PA1008005191 Panama City LA PRENSA in Spanish 9 Aug 91 p 1

[By Althea Foster de Chavarria]

[Excerpt] President Guillermo Endara has said that he finds it "disgusting" to rule with the "war decrees and laws" imposed by Noriega's military dictatorship which allows the government to close down the media. "I must confess that it is disgusting to see those war decrees still being enforced; but under no circumstances will we use the articles in those decrees and laws passed by the dictatorship," Endara added.

Endara mentioned the "war decrees" following a demonstration staged by approximately 100 journalists who, despite the rain, marched on the Presidency to demand that government officials show respect for their profession. The president said that those "war decrees" must be changed and he asked the journalists to draft a new press law because "I do not have the knowledge (consenso) to draft new guidelines on matters related to the press." [passage omitted]

Drug Agency Adopts Arrogant Disposition

PA1008134591 Panama City EL PANAMA AMERICA in Spanish 9 Aug 91 p 6a

[From the "Hidden Truths" column by Tomas Cabal]

[Text] [no dateline as received]

The DEA Is Sleeping on Its Laurels

The arrogance and preponderance which characterizes the workings of some U.S. federal agencies in Latin American is clearly embodied in the behavior of the Drug Enforcement Agency (DEA) in Panama.

After the capture of narcodictator Noriega during the Just Cause operation and under the direction of Rene de la Cova, the DEA grew bolder and conceited.

Swollen with pride the DEA bloodhounds returned to Panama, initially to train a Panamanian antidrug force, in addition to announcing that the country would be rid of drug trafficking and money laundering soon.

They inundated us with statistics to justify the poor operational results of the local units with excuses, such as—they did not have the necessary resources. Soon enough, they gave us the first joint operation with their Panamanians disciples, an operation which resulted in the impounding of a ship loaded with 2,500 kgs of Colombian cocaine.

The message was clear: the DEA boys and their Panamanian partners would soon become the bosses of the isthmian backyard.

Putting aside all the speeches and the crash training courses, the drug trafficking and money laundering situation in Panama has worsened during the 18 months of democratic government. Independent sources estimate that currently there is more drug movement through Panama than ever before. Now a kilo of cocaine, sold at wholesale, is a lot cheaper than during Noriega's dictatorship.

Noriega, as all good businessman, controlled every aspect of the business, letting the DEA have the credit so that they could fill their bureaucratic quota, and later send him beautiful letters congratulating him on a job well done.

The arrogance that typifies the DEA reaches its maximum point when the investigations initiated by Spanish Judge Baltazar Garzon begins to show results with the arrest of Cuban-Panamanian drug trafficker Indalicio Iglesias in Cabo Verde and Ramon Puentes in Uruguay.

Despite the fact that Judge Garzon had done nearly all the work to capture Puentes and destroy his criminal organization in Argentina and Uruguay, the DEA now expects the Uruguayan Government to surrender Puentes to be tried in a U.S. court.

Although it is a proven fact that Puentes managed his business from Miami for some years, the bulk of his criminal activities were conducted in Panama, Argentina, and Uruguay. In Panama he laundered money by using the Panamanian banking system in close cooperation with several Panamanian partners, whom we have mentioned in previous articles.

In 1988, Puentes transferred his operation to Argentina prompted by his Argentine partner Mario Anello, who had the support and backing of Argentine President Carlos Menem's sister-in-law and her Syrian husband Ibrahim, who held a high position at the customs office of the Ezeiza International Airport in Buenos Aires. This allowed millions of dollars to enter Argentina, which were deposited and laundered in Uruguayan banks.

Iglesias, just like Judge Baltazar Garzon, is still waiting for a visit from the DEA. As Andy Iglesias told us in Madrid, "last year a DEA delegation came to visit, but they were only interested in knowing if I would testify against Puentes in Miami. I told them that I would, if we could come to some arrangement with respect to my problems. I gave them all the details of Puentes' operation in Panama, but to date, I have seen no reaction. [no closing quotation mark as published]

This is an ironic affair because in 1988 they tried to use an alleged mortgage loan to put Fred De La Matta, president of the Republic National Bank in Panama, on trial for tax evasion. De La Matta's case was dismissed due to lack of evidence. Of course, on that occasion the DEA was not aware of Puentes' importance. Now that he is under arrest in Uruguay, they do not seem interested in what they could learn from Judge Garzon's or my testimony. We will see how well they do with Puentes in Miami. Do not be surprised if he is also released, just like Fred De La Matta. To date, the DEA has not yet talked to Isaza, Antonio Munoz, or lawyer Roque Perez, Puentes' partners in Panama.

Columnist Discloses Drug Connections

PA1008012491 Panama City EL PANAMA AMERICA in Spanish 7 Aug 91 p 6

["Hidden Truths" column by Tomas A. Cabal]

[Text] Documents obtained and interviews conducted in Madrid substantiate what we already suspected—the preponderant role of the Central Bank of Spain in Panama in laundering international drug trafficking money.

As we have reported in previous columns, since 1984 the Central Bank has been linked to all types of Panamanian and U.S. drug traffickers, as it appears in the case file that First Penal Judge Luis Guillermo Zuniga handles. In the case of ARJ Associates, the Central Bank handled millions of dollars belonging to convicted drug trafficker Steven Kalish, alias Frank Brown, who will be one of the star witnesses in the trial of General Manuel Antonio Noriega in Miami.

Other drug traffickers such as pilot Manuel Pardo, [Enrique] Quique Pretelt, and the late pilot Cesar Rodriguez, also entrusted their money to the Central Bank in Panama, convinced of the Spanish bankers' discretion and financial efficiency.

As repentant Andy Iglesias told us in Madrid, "we used the Central Bank in South America because they never asked any questions." Documents show that one of the favorite banks used by drug trafficker Ramon Puentes' criminal organization is Centrobanco, the name used by the Central Bank in Montevideo. Ramon Puentes is currently in jail in Uruguay and Andy Iglesias works for him.

According to repentant Iglesias, the Central Bank in Montevideo received not less than $2 million per week and Amira Yoma, sister-in-law of Argentine President Carlos Menem, made deposits to the account of the Puentes cartel and his Argentine partner Mario Anello. Anello, who is a fugitive, travels using a Panamanian passport issued in the name of Vidal Martinez. The multiple visa obtained at the U.S. Consulate in Panama allows him to dodge the law and continue his criminal activity from Miami, Puerto Rico, and Venezuela.

From statements given by the repentant Iglesias it was learned that they knew of the Central Bank's efficiency in Panama, which is why they have opted to use the Montevideo branch for their money laundering operations following the difficult political situation in Panama in 1988.

Documents show that Ramon Puentes, who also used a Panamanian passport issued in the name of Jose Lezcano Patino, deposited millions in the Centrobanco branch and in Lloyd's Bank—both in Montevideo.

As we have previously reported, Iglesias was the man in charge of coordinating everything in connection with the transshipment of cocaine from Panama to the United States and Europe. In addition, Iglesias was responsible for laundering all the Puentes criminal organization's money through the Republic National Bank, and especially through the Banco Ganadero in Panama.

According to Iglesias, the money laundering operation involved about $10 million per month, and enlisted the help of Panamanians such as Rodolfo Isaza, who as a customs broker was in charge of securing false passports and other documents; Antonio Munoz, a businessman who served as a front for Puentes' firms in Panama; and Attorney Roque Perez, who handled everything to do with the movement of vessels shipping the merchandise from Colombia to the United States and Europe.

The money laundering role played by the Central Bank in Panama and Uruguay has come under the scrutiny of the Spanish authorities in charge of fighting drug trafficking. According to the sources who were consulted, the investigations have been hindered by the Panamanian authorities' lack of cooperation and because money laundering was not a crime in Spain until 1988, a situation that for the time being has favored the Spanish bankers who have specialized in recycling significant sums of money for drug traffickers, without asking questions.

As an important legal source told us, "Do not be surprised if a big fish of the Central Bank falls because testimony from repentant drug traffickers has allowed us to investigate." "With the documents on file, you will soon see how arrest warrants are issued against those white collar criminals." We shall wait, but from what we know of the Spanish justice system, you pay for what you do and soon explanations will have to be given before the national audience [audiencia nacional] (legal organization in charge of investigating drug trafficking and

money laundering crimes) by the Central Bank bankers, who in Panama and Uruguay specialized in receiving drug trafficking money.

Under the severe gaze of Judge Baltazar Garzon, who is in charge of drug trafficking investigations in Spain, we will soon see several Central Bank bankers sitting on the defendant's bench. If you do not believe me, ask their colleagues at the Bilbao and Vizcaya Bank who are now beginning to serve long prison terms.

Arrested Officers Dispersed to Different Prisons

PA1008233091 Panama City EL PANAMA AMERICA in Spanish 10 Aug 91 p 1A

[Text] After having detected an alleged plot to escape from El Renacer Prison, the Government Ministry yesterday ordered that several former Defense Force officers who are being held there be dispersed to different Panama City prisons.

A Government Ministry spokesman has revealed that Government Deputy Minister Jose Miguel Aleman has sent to the Corrections Board a resolution calling for the transfer of former Colonels Marcos Justine and Nivaldo Madrinan, and other former officers, including Ramon Diaz, Francisco Avila, Juan Gomez, Cesar Roldan, and Juan Barrios, to the Modelo Prison.

These former officers have been in El Renacer Prison since last year.

Deputy Minister Aleman also ordered that other arrested soldiers being held in El Renacer be transferred to the maximum security prison on Flamenco Island.

Former Lieutenant Cancio Ciacci Tason, a defendant in the kidnapping and murder of Marcos Rodriguez, Col. Justine's grandson, has been transferred from the Modelo Prison to El Renacer.

A similar escape plan was detected in 1990, but the Panamanian authorities uncovered it and the plan failed.

There are approximately 20 soldiers at the Modelo and El Renacer prisons. They face a variety of charges that include violating human rights, murder, and embezzlement, among others.

Common criminals have tried to escape from the Modelo and Flamenco Island prisons, but the military inmates have not yet attempted it.

Former Members of Defense Forces Reportedly Meet

PA0908231491 Panama City CRITICA LIBRE in Spanish 8 Aug 91 p 23

[Article by Luis A. Gaitan V.]

[Text] David—Information provided to this reporter indicates that former members of the disbanded Panama Defense Forces, especially members of its G-2 [intelligence] division, have "met secretly" for as yet undetermined reasons.

Our source stated that they have vast experience in espionage and counterespionage.

Some of these former soldiers have been seen "visiting" the David Garrison more than once.

It is known that former police detachment chiefs, who were accused by Captain Moreno of "being part of a conspiracy" or knowing about it, have not yet been investigated.

It is not known whether the Public Force has conducted an internal investigation of these officers.

Many AK-47 rifles and abundant ammunition were purchased in the highlands of Chiriqui Province and stored in a trailer that was parked near the fire station in Volcan.

It is known that more than 1,000 weapons have disappeared and that only a small number of them have been recovered.

Renacimiento District authorities have voiced discontent about the treatment of officers who were linked to actions described as "civil disobedience." Among them are Keeplin and Alvarado. The latter was recently appointed chief of the David Transit Department.

Mayor Reynaldo Cedeno said that this was a routine unit rotation.

An individual who used to work as a photographer for the G-2 is now working at the Public Prosecutor's Office. This person once brutally beat Engineer Santamaria of the Agronomists' Association. Top officials of that office are aware of this, but have done nothing thus far.

The G-2 in Chiriqui was headed by Alfonso Gomez and was comprised of more than 70 members, and a network of 300 informants, many of whom are still active on the Public Force.

We tried to question Mayor Reynaldo Cedeno about reports that former officers are now at the David Barracks, but he was not in his office.

We also tried to talk to the David Barracks D-2 (security) chief, but a Corporal Ibarra directed us to the Personnel Office and refused to reveal the security chief's name.

It is known that the officer's name is Ramon de Leon, former member of the Red Devils—a group that emerged from the Peace Battalion (of the current Public Force) to head the intelligence group. We do not know why his name was being withheld.

Argentina

Menem Comments on Quayle's Visit; Corruption

PY0908183391 Buenos Aires Argentina Televisora Color Network in Spanish 0145 GMT 9 Aug 91

[Interview with President Carlos Saul Menem by Mariano Grondona for "Hora Clave" television program on 8 August—recorded]

[Text] [Grondona] Mr. President, I have been told that you were very satisfied with the 24-hour visit made by U.S. Vice President Dan Quayle and other U.S. personalities to our country.

[Menem] Well, I believe it was an excellent visit and that it ratified propitious moments in our bilateral relations, which have never been better. Nonetheless, not only the vice president's visit was important. Also important were the U.S. businessmen's visit and the words said by David Rockefeller, who has been visiting Argentina for the last 30 years. He said that he had never seen Argentina as good as he did now.

[Grondona] Is the Argentine situation better understood abroad than here?

[Menem] No, that is not the point. Domestically, things are also working well except for some problems among the public services, education, and health. These problems are to be expected in a country that is overcoming a profound crisis. Our economy is functioning well, salary purchasing power is increasing, production is increasing, and the productive revolution that is partially implemented will improve greatly over the next few months. I believe Argentina will considerably improve within the two and a half to three years that I asked for when I was installed.

[Grondona] In the last few days, we analysts have observed a certain euphoria in the economic field, in the market. We have also observed all types of rumors, charges, criticisms, and conspiracies in the political field. It is as if there were two Argentine nations: A very convulsed political Argentina and an economic Argentina...

[Menem, interrupting] Well, this type of situation, which political scientists call convulsed, is the result of freedom. In the past, Argentina has never experienced this type of freedom. It has never fully enjoyed the complete freedom that is granted to us by our Constitution, a freedom that includes the privatization of the media. The media is now entirely in the hands of the private sector, except for the official channel and the official radios which, nevertheless, allow those responsible for the programs to voice their opinion without any censorship.

I will give you a good example of this freedom: There were rumors that Mariano Grondona would be dismissed from his program and that pressure was being exerted on him. Now, I publicly ask you whether any government official has exerted any pressure on you or prevented you from voicing your criticism during the program.

[Grondona] There has never been any pressure on me and I have always said that.

[Menem] This mistake, this huge mistake is understandable from people who do not understand the topic, but it is not understandable from people who permanently move in political circles. How can they say that politics move in one sphere and economy in another? The economy only functions and becomes a success if it follows the path established by politics. Things happen like this in Argentina as in any other part of the world.

[Grondona] It can be different...

[Menem, interrupting] The measures adopted in the political field, the state reforms proposed by the president, the social market economy proposed by the president, the pitched battle against the fiscal deficit proposed by the president, the reinstatement of Argentina in the international community—and decisions like resuming relations with the United Kingdom, sending ships to the [Persian] Gulf, or the one adopted this morning resuming relations with South Africa—are all political decisions. As a result of these decisions, the economy functions the way it does. Military regimes have failed in Argentina because they did not have a sufficiently strong political power to implement economic measures similar to the ones we are implementing.

[Grondona] But Mr. President...

[Menem, interrupting] The rest Mariano, I reiterate, is a police or judicial problem. We do not care about a scandal. This is the only government that takes government officials to court. Look at former administrations. As for the drug issue, we created a secretariat to combat drug trafficking. I think that people and many commentators forget that this administration enforced Law 23737 which condemns the laundering of dollars earned through drug trafficking. In November [words indistinct], that is, people forget some things or did not take them into consideration. This apparently caused some confusion in the community.

[Grondona] Here and abroad, because you must have read the commentary by Chilean journalist Enrique Lafourcade who said that the country is a ....

[Menem] Yes, yes, yes. Just say the word.

[Grondona] You say it, you say it.

[Menem] All right. He said it is a bloody mess. But he later repented and the president of Chile had to apologize, not just because he referred to the president of Argentina but because he referred to all the Argentine

people, he said they are vulgar. Well, the president apologized and the journalist repented. I think these kind of things must be endured when experiencing the unprecedented changes that are placing Argentina where it really deserves to be.

[Grondona] Now, I will ask a political analyst's question. Should politics sometimes let off a little steam, because if not, when everything seems to be going smoothly like during [Former President] Ongania's term [1966-1970], it can all explode?

[Menem] Well, everything is going well right now even though the political panorama is a bit troubled as result of freedom. This must be understood. However, I reiterate the concept. There is no possibility of success in the economic field if there is no strong political power to back it up. Thus, I am telling you, Mariano, that in order to triumph, the economy must follow politics.

[Grondona] Mr. President, you say that this situation is the result of freedom, is it not also the result of corruption?

[Menem] But this corruption is being investigated. It is not new corruption, it has been in Argentina for many years. Have you forgotten what I said when I addressed Congress for the first time: I stated that before Argentina was a Republic, it was a land razed by corruption. I said that we will make the crime of corruption equal to the crime of treason to the motherland. We have sent the draft bill on this to Congress and it is still there. This is not a new thing. It is many years old. Or does the public think the ones who took $60 billion away from the country and deposited them in bank accounts in Switzerland and in other parts of the world, are angels with halos?

[Grondona] Mr. President, this mess includes charges against SIDE [Secretariat for State Intelligence]? Some people say that SIDE and the Radicals invented the Barolo Alley intelligence scandal. [referring to the intelligence office on Barolo Street from where propaganda against Menem was allegedly orchestrated] Another version says that SIDE and the Peronists created the Barolo Alley scandal.

[Menem] The Barolo Alley thing is a lie. It must be proven. I think it is a dirty pre-election trick. Do not forget that elections will soon be held, therefore, do not be surprised if some other trick comes to light. We are so used to this kind of thing that one should be prepared for the explosion of a new petit scandale [two preceding words given in French]. The Barolo thing is a lie.

[Grondona] Then what does the SIDE do?

[Menem] Well, I imagine that the SIDE, as its name stands for, obtains information and informs government officials.

[Grondona] It informs you, for example.

[Menem] Yes, me for example.

[Grondona] But does it also exert psychological pressure?

[Menem] The SIDE?

[Grondona] Yes.

[Menem] Or some political sectors?

[Grondona] Well, pressure on all sectors.

[Menem] Pressure also comes from some sectors of international politics. Psychological pressure comes from the political parties, from the trade unions, and from businesses. They are the famous lobbies [preceding word in English].

[Grondona] But is it right that the SIDE should exert pressure? Is it right that the SIDE should have secret funds for paying journalists? Is this right?

[Menem] No. But it must be proven that the SIDE pays journalists. Where is the evidence? One should not so happily assert...

[Grondona, interrupting] Do you think that anybody would sign a receipt for that sort of money, Mr. President?

[Menem] Well, if no receipts are issued, if there is no evidence to prove that such payments are being made. Bring me evidence, bring me at least a journalist who will say that the SIDE has paid him, just one.

[Grondona] But...

[Menem, interrupting] Without evidence, we could say that political parties, companies, or trade unions are paying some journalists.

[Grondona] There must be some that are doing it.

[Menem] Well then, we are all in the same boat.

[Grondona] That is the problem.

[Menem] Does this happen only in Argentina? It is nothing new. Doesn't this happen everywhere in the world? In Italy, in the United States, in France, everywhere?

[Grondona] Yes, but in principle we would not like it to happen here.

[Menem] But of course, and we must try to stop it; that is why we are all working. People must make serious charges, with evidence.

[Grondona] As for the SIDE, if you learned that the SIDE is promoting a psychological pressure campaign, what would you do?

[Menem] I would make it disappear.

[Grondona] The day you do it, I will applaud you.

[Menem] You will have to applaud me very soon then, if things continue this way.

[Grondona] Do you accept my criticism now?

[Menem] Pardon?

[Grondona] Do you also accept my criticism?

[Menem] Of course. When have I protested over harsh criticism?

[Grondona] Criticism is necessary.

[Menem] Of course it is necessary. At a necessary level, with a touch of class, and with respect for the authorities, of course criticism is necessary.

[Grondona] Mr. President, our new partner, the United States, tends to make us a bit uncomfortable because it is being said that the United States wants to stir up a Swiftgate [referring to scandal over bribes allegedly demanded by Argentine Government officials from the Swift Armor Company] or a Yomagate. [referring to the scandal surrounding alleged trafficking and narcodollar laundering by Menem's in-laws]

[Menem] Lies, these are lies, lies, lies. These are all lies. Today, I was shocked to read a report in a well-known newspaper in which it is alleged that $2 billion was to be given to the Bunge and Borne company.

[Grondona] Yes, the money was supposed to have been given to Rappanelli. [referring to a deceased former economy minister in the Menem government]

[Menem] But please, I think that this type of incident causes serious concern in business circles. The information is allegedly based on a government official. I think that Bunge and Borne [multinational company that backed Menem's candidacy] will clarify the subject. This is an example of the psychological actions to which we referred. The same newspaper announced the resignation of [Defense Minister] Erman Gonzalez and said the military commanders will be replaced. One should not play like this, misinforming the public when what must really be done is to truthfully inform the public.

[Grondona] Mr. President, it is been said that you have a new minister in mind.

[Menem] No, no.

[Grondona] You said that as if you do.

[Menem] No. I always have many politicians and businessmen in mind who could replace the politicians, businessmen, and economists who are currently working in the government. They could change our national situation.

[Grondona] You have one for every post?

[Menem] For every post, you know that. When a minister goes he is immediately replaced by another. I take all necessary precautions to ensure that this process will continue without...

[Grondona, interrupting] You do not want a vacuum if something happens.

[Menem] I do not want a vacuum and I do not want interruption, not for an instant, in our program.

[Grondona] Is Cesar Jaroslavsky [leader of the UCR bloc in the Chamber of Deputies] in your mind?

[Menem] He is a great man. I admire and respect him. Beside, he is a great friend. So, he is a possibility of course.

[Grondona] Mr. President, how did you react to the news of the trial of Judge Maria Cervini de Cubria? [the judge involved in the Yomagate scandal]

[Menem] It is a legal case.

[Grondona] What do you feel when you read the names of Amira [Yoma, Menem's sister-in-law], [Miguel Angel] Vico, and [Ramon] Hernandez [both Menem's secretaries] in the newspapers?

[Menem] Well, I have already stated all that I have to say about Vico and Hernandez. They are charged with having received a recording. I think that is the charge. This is a lie from a man [Khalil Hussein Dib] who has contradicted himself 20 or 30 times over the past 15 days. He is disseminating recordings everywhere. I think he is a vulgar blackmailer who has committed perjury, but this is a court problem.

Now, as for Amira Yoma, I had promised myself not to speak about this subject because it is being investigated. However, if the charges turn out to be true, I, of course, will be very disappointed. I have trusted her like I always trust everyone near me. I have been loyal to them all, and the least I expect is loyalty in return. When a case like this happens I feel disappointed in my soul, in my spirit, as a president, and as a politician.

[Grondona] Do you think that you waited too long to suspend her?

[Menem] No. I handle the timing properly. No one can impose the timing on me.

[Grondona] Sometimes it is better to react faster. Remember the Rio Negro problem? You took a long time then.

[Menem] Yes, but the results are obvious, are they not?

[Grondona] One last question please, since you are in a hurry. What will weigh more on the next 8 September elections, a Milan or a Roman-type economy? [reference unknown]

[Menem] Both. The two complement each other perfectly and if the Argentine people really want economic growth to continue, if the people do not want to return to an ignominious past, they can decide by voting.

[Grondona] Thank you Mr. President.

[Menem] Thank you Mariano.

Menem Gives News Conference in Palomar

PY1008202291 Buenos Aires TELAM in Spanish 2350 GMT 9 Aug 91

[Text] Buenos Aires, 9 Aug (NA)—President Carlos Menem stated that the new record of operations at the Commodity Exchange "is the fruit of the accurate economic policy implemented in the country." He added: "Episodes such as that of 3 December" 1990, referring to the "painted faces" rebellion, have definitely ended.

In a news conference at the Mess Hall of the 1st Air Force Brigade, headquartered in Palomar, after presiding over the main ceremony marking Air Force Day, Menem said: "The judges and not the president of the nation have the final word" in the trial of officers who participated in that rebellion.

Regarding the economic sector, the president said the record of operations in the Commodity Exchange "is marking a new direction in the economy. These are the fruits being collected in the first stage of the country's economic and foreign policy implemented by the government."

He stressed the economic stability prevailing in the country, the decline of the inflation rate, the increase in employment opportunities, and the increase in production that has been observed. He added: "The worker is feeling the positive effects of this new proposal that is in effect in the country."

He added, however: "There is still much to be done" and "other adjustments must be carried out to eliminate public expenditures."

Menem praised "the effort the people and the government are making to overcome this crisis once and for all."

Concerning elections, after explaining that he would make a "general statement," he said the voters "were not mistaken in not voting for a past that is no longer admitted in the country or in the world: the statist policy, or the state control of the economy, etc."

During the news conference, Menem also declined to reply to Colonel Mohamed Ali Seineldin's remarks to the Federal Appellate Court. In answer to a question, he said the government "will not take any type of action" regarding Seineldin's remarks. Seineldin referred to possible new bloodbaths.

Menem said Seineldin is "responsible for everything that has happened over the past few years in the Army." He added: "Seineldin was accused by his own comrades and he is obviously responsible for the death of military members and civilians." He said: "This situation that has been going on for many years has definitely ended in the country."

He added that in this case "the judges and not the president of the Republic have the final word."

Concerning the arsenal discovered last night in the vicinity of the Olivos presidential residence, Menem ruled out the possibility of an attack against him, noting that "no one dies before his hour."

"This type of report," he said, "only serves to impair the tranquillity of the community." With a touch of humor, he added: "I admit many people will be sad, while others might be happy, if there is an attack against the president. Yet, we should take it with humor."

Menem also denied that there will be a cabinet reshuffle, making the following humorous remark: "Erman Gonzalez did not ask me to appoint him Argentine ambassador to Chile..."

Concerning the reports on the possible designation of Radical Deputy Cesar Jaroslavsky as interior minister, Menem said: "We have not seen each other for approximately one and a half months."

After expressing his appreciation for Jaroslavsky, who chairs the Radical Party bloc in the Chamber of Deputies, he denied the reports, highlighting the Radical leader's "loyalty, merit, and dignity."

He explained that when he was asked about the possible designation of Jaroslavsky as interior minister, he said Jaroslavsky is "an exceptional man" and "this possibility cannot be ruled out." He explained, however, that "an offer whatsoever has not been made," adding that "if I were not satisfied with Minister Mera Figueroa's performance I would replace him."

Concerning contacts between government officials and Judge Maria Servini de Cubria, he said that the judge is also a member of the Electoral Court of the federal capital, and that the contacts "are visits that are made on the eve of the electoral process."

Regarding a charge leveled by Rita Auterial, former secretary of the judge, the chief of state said: "She could have leveled the charge before the courts instead of reporting it to the media after one and one-half years."

As for the trial of Servini de Cubria by Judge Miguel Pons, Menem said that "the judicial branch is undergoing a process of self-improvement," adding that Servini de Cubria is no longer hearing the case of the laundering of drug-trafficking dollars, and that "the executive branch has nothing to do with this."

For his part, Air Force Chief of Staff Brigadier Jose Julia said there are sectors "whose selfish interest has been affected by the structural and cultural revolution the country is undergoing."

Julia added that "through chaos, those sectors intend to undermine the willingness of those who are conducting the revolution. Yet, they fail to understand that their treacherous and obviously destructive action has only served to temper our spirit and strengthen our ideals."

Julia condemned those who are "permanently attacking the national being with their messianic attitude, attempting to be overseers with their weak morals, which can hardly disguise their lust for power and their insatiable thirst for revenge and for satisfaction of their personal rancor."

The Air Force Day ceremony, which was held before the news conference, was attended by Defense Minister Antonio Erman Gonzalez, General Martin Bonnet, Army chief of staff, Admiral Jorge Ferrer, Navy chief of staff, federal Judge Adolfo Vazquez, and former Air Force Commanders Rubens Graffigna and Arturo Basilio Lami Dozo.

Reportage on Possible Attack Against Menem

Police Discover Arsenal

PY0908124091 Madrid EFE in Spanish 0327 GMT 9 Aug 91

[Text] Buenos Aires, 8 Aug (EFE) — Police today aborted an alleged plan to attack Argentine President Carlos Menem, when they seized an arsenal 500 meters from his residence in the Buenos Aires Province town of Olivos, close to the federal capital.

Police seized several FAL rifles, other weapons of various types, ammunition, and explosives, including a bomb called "energa," which has great destructive power, from an apartment on the second floor of a 15-story building.

A security organization spokesman, who confirmed the arrest of "several persons," including a 35-year-old woman, told EFE that "an investigation is being carried out to see whether there was a plan to attack the chief of state." The source said that "a large part of the house and gardens" of the president's residence can be very easily seen from the roof of the building where the weapons and explosives were discovered.

Police also seized a telephone switchboard in the apartment. The switchboard was presumably to have been used to intercept the residence's communications.

Judge Raul Casal, who is investigating the case, told reporters that the incident is "very serious" and he ordered that the investigation be started immediately in complete secrecy.

Neighbors in the building expressed their "surprise" about the arsenal that was discovered by police in an operation in which "very few agents" participated. Several neighbors agreed, however, that "it is better to say nothing," because investigators requested that after the raid.

Sources stated that the number of police that participated in the raid was "discreet" because prior investigations had given those in charge of the operation "concrete" clues about the number of persons who lived on that floor. Unconfirmed reports stated tonight that police carried out other raids in the neighborhood of the building, and that the patrols of several units of the Buenos Aires Province Police were halted.

Menem Denies Plot

PY0908170491 Buenos Aires TELAM in Spanish 1620 GMT 9 Aug 91

[Text] Buenos Aires, 9 Aug (TELAM)—Referring to the arsenal that police discovered in Olivos on 8 August, President Carlos Menem ruled out the possibility that there is a plan to kill him. Menem added: "Argentines would feel a deep regret about such a thing as that, while a minuscule group would be very happy."

The president made these remarks after presiding over the main ceremony commemorating another Air Force anniversary. The ceremony took place at the 9th Air Brigade in El Palomar.

TELAM Gives Details

PY0908135091 Buenos Aires TELAM in Spanish 1255 GMT 9 Aug 91

[Text] Buenos Aires, 9 Aug (TELAM)—San Isidro Criminal Judge Raul Alberto Casal stressed this morning that the large number of weapons that the Tigre Regional [Police] Unit discovered in a building in the neighborhood of the Olivos presidential residence last night is "truly alarming." A woman, who was looking after the weapons, was arrested during the operation.

Buenos Aires Province Police sources have admitted that during the operation at Apartment 8 of the building at 2391 Maipu Avenue in Vicente Lopez, various large-caliber weapons such as FAL rifles and ammunition of various types (Magnum, Itaka [shotgun], antitank rounds, and rocket launchers, among others) were seized.

"It is true, I have not memorized the quantity of material that was seized, however, it is truly alarming," the judge said when he was asked about the "broad view of the residence helipad." Casal stressed that "the residence can be seen perfectly, but other sites can also be observed; criminal intent must not be implied."

In remarks to Radio La Red, the judge stressed that he will visit the apartment this morning for another inspection. Last night's police operation was exclusively the

responsibility of Tigre Regional Unit members, who carried out the intelligence task that finally led to the arsenal.

The building where the operation occurred is in the neighborhood of the presidential residence, and the apartment in which the arsenal was found has a broad view of the helipad and the house in which the chief of state resides.

Investigators arrested a 35-year-old woman during the operation. Police sources have identified her as Maria Haydee Zabaloy, who is being detained at Tigre's 12th Regional Unit at the disposal of the judge.

Menem Rules Out Cabinet Changes, Agreements

PY0908220691 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 8 Aug 91

[Reported by Silvina Martinez Porta from the Government House in Buenos Aires]

[Text] We have some remarks by President Carlos Menem. Let's review the three most important points.

President Menem ruled out the possibility of a pact with the opposition. He said: We can share an opinion on various issues like the reform of the Constitution and other things, but we will not enter a pact.

President Menem said that, for the government, the valid interlocutor is the Radical Civic Union as a party. Therefore, the president of that party, Raul Alfonsin, and the Justicialist Party president will have to sit at a table. I am not the Justicialist Party president, Menem said, obviously referring to his brother Eduardo Menem, the current Justicialist Party president.

Another point. President Menem said that no cabinet changes will be made after the elections. He said that these reports are part of a campaign; it is a barbarity!

President Menem also denied the possible departure of Defense Minister Antonio Erman Gonzalez.

Interior Minister Reportedly Offers Resignation

Menem Receives Resignation

PY1008011291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0254 GMT 10 Aug 91

[Text] Buenos Aires, 9 Aug (NA)—Government sources have reported that Interior Minister Julio Mera Figueroa reportedly tendered his resignation tonight to President Carlos Menem.

The sources added that President Menem reportedly received Mera Figueroa's resignation and that he is analyzing it.

The sources noted that current Tucuman Interventor Julio Cesar Araoz, Metropolitan Mayor Carlos Grosso, Justicialist Deputies Bloc Leader Jose Luis Manzano, and Radical Cesar Jaroslavsky [Radical Civic Union bloc leader in Chamber of Deputies] are among the possible candidates to replace Mera Figueroa.

Resignation Confirmed

PY1008013491 Buenos Aires TELAM in Spanish 0125 GMT 9 Aug 91

[Text] Buenos Airs, 9 Aug (Telam)—President Carlos Menem confirmed tonight that Interior Minister Julio Mera Figueroa has tendered his resignation. He also announced: "I am 99.5 percent sure that his successor will be Deputy Jose Luis Manzano."

Menem added that he already had talked with Manzano, who is in Chile. He will return tomorrow to officially accept the interior minister post. The new minister is scheduled to be sworn in on 12 August.

Menem on Details of Resignation

PY1008153291 Buenos Aires TELAM in Spanish 0208 GMT 10 Aug 91

[Text] Buenos Aires, 9 Aug (TELAM)—President Carlos Menem confirmed tonight that he has accepted the resignation of Interior Minister Julio Mera Figueroa and it is "almost certain" his successor will be Justicialist Deputy Jose Luis Manzano.

Menem stated at the Alvear Hotel tonight that "I am 99.5 percent sure that it will be Manzano. I am waiting for him to return from Chile before making the official announcement."

Menem stated he had met with Mera Figueroa in Olivos residence today, and he told Menem "his term was over. He resigned and I accepted it."

He said: "If there is currently a young, intelligent, and important man in Argentina, his name is Manzano." Menem said he had already talked with Manzano, who is in Chile; he will return tomorrow.

Menem added that the ministerial change close to elections "will not have any political repercussions." He added: "This is aimed at strengthening the Interior Ministry's political power."

In answer to a question, Menem said the reports that Cesar Jaroslavsky, head of the Radical Civic Union bloc in the Chamber of Deputies, was going to be appointed interior minister were denied.

Regarding the future of Mera Figueroa, President Menem denied that his decision had anything to do with the signing of a contract with French firms for national identification cards or a recent interview published in PAGINA 30.

Menem said Mera Figueroa "is a great friend of the president. He will continue to work. I have asked him to work in political campaigns, which is one of his specialties."

Asked if Julio Cesar Araoz, the current interventor in Tucuman, could become minister instead of Manzano, Menem said: "It is a possibility."

Menem made these comments before presiding over a dinner to close a meeting of judges from the Southern Cone countries.

Manzano Accepts Post

PY1008163091 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1556 GMT 10 Aug 91

[Text] Buenos Aires, 10 Aug (NA)—Jose Luis Manzano, leader of the Justicialist Party bloc in the Chamber of Deputies, has formally accepted the post of interior minister, which was offered to him by President Carlos Menem.

This information was supplied to NOTICIAS ARGENTINAS by Manzano himself after leaving the Olivos residence, where he met with the chief of state and Presidential Secretary General Eduardo Bauza.

Manzano explained that he will be installed at 1830 on 12 August, in the White Hall of the Government House. He declined to outline his future policy, noting that he has not yet designated members of the team who will work with him at the ministry.

Countries Ask UK To Resume Talks on Falklands

PY1008154491 Buenos Aires TELAM in Spanish 0003 GMT 8 Aug 91

[Text] United Nations, 7 Aug (TELAM)—In a meeting at UN Headquarters today, Venezuela, Argentina, Chile, and Cuba asked the UK to resume talks with Argentina on the Malvinas Islands.

The request was made in a draft resolution [proyecto de resolucion] that was presented to the UN Special Committee on the Situation With Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

Chileans Arrested on Charges of Espionage

PY1108214091 Buenos Aires BUENOS AIRES HERALD in English 10 Aug 91 p 13

[Text] (NA-DYN) San Juan—Two Chileans who allegedly carried out espionage activities for their country's Armed Forces were arrested here by the Federal Police. The individuals were identified as Jorge Castrillon Espinosa and Carlos Barahona, who had press credentials from several national and foreign media.

Castrillon had been living in the city of San Juan for three years now and worked as a masseur in the Turkish baths at the Syrian-Lebanese Club here, although he supposedly was a correspondent for Radio Riquelme of La Serena and also for a virtually unknown local broadcasting station called Radio San Martin.

Barahona is also a long-time resident of San Juan and was found to have credentials as correspondent for a Spanish American News Agency as well as "cultural contributor" for the local branch of Argentina's Radio Nacional.

The Federal Police reported that in Castrillon's possession they found photographs and documents relating to Argentina's Mountain Infantry Regiment (RIN 22) based in this city.

Bolivia

Paz' Presidential Cabinet Resigns 'En Masse'

'Major' Ministerial Crisis

PY0908223091 Madrid EFE in Spanish 2216 GMT 9 Aug 91

[Text] La Paz, 9 Aug (EFE)—President Jaime Paz Zamora's full cabinet of 16 ministers tendered their resignations today, 9 August, thus causing the first major ministerial crisis for the Bolivian Government, which assumed office more than two years ago.

Official sources reported that, notwithstanding the resignation en masse, government palace sources confirmed that President Paz Zamora intends to change the ministers of agriculture, education, defense, and industry.

In the presidential message of 6 August, Paz Zamora stressed the consistency and the permanence of his closest advisers in the first two years of the government.

Cabinet Members Appointed

PY1008003091 Madrid EFE in Spanish 2359 GMT 9 Aug 91

[Text] La Paz, 9 Aug (EFE)—Bolivian President Jaime Paz Zamora today swore in eight new cabinet members, thus overcoming the worst cabinet crisis he has faced since taking office on 6 August 1989.

The sudden resignation and swearing-in of the new ministers was described as a political decision made by the "Political Accord" [as received] coalition, which comprises the ruling Movement of the Revolutionary Left (MIR) and the Nationalist Democratic Action (ADN).

The following are the names of the eight new ministers and of the nine others confirmed in their posts by a government decree:
Foreign Ministry and Worship: Carlos Iturralde.
Ministry of Interior, Migration, and Justice: Carlos Saavedra Bruno.
Ministry of the Presidency: Gustavo Fernandez.
Ministry of Information: Mario Rueda Pena.
Defense Ministry: Rear Admiral Alberto Sanz (new).
Finance Ministry: David Blanco.
Planning and Coordination Ministry: Samuel Dorio Median (new)

Education and Culture: Edwin Cespedes (new).
Transportation and Communications Ministry: Willy Vargas.
Industry and Commerce Ministry: Leopoldo Lopez (new).
Labor Ministry: Oscar Zamora.
Social Welfare and Public Health Ministry: Mario Paz Zamora.
Mining and Metallurgy Ministry: Gonzalo Valda (new).
Peasant Affairs Ministry: Mauro Bertero.
Energy and Hydrocarbons Ministry: Herbert Muller (new).
Urban Affairs Ministry: Fernando Kieffer (new).
Ministry Without Portfolio: Jorge Landivar (new).

Background of Ministers

PY1008204691 Madrid EFE in Spanish 0847 GMT 10 Aug 91

[Excerpt] La Paz, 10 Aug (EFE)—Bolivian President Jaime Paz Zamora yesterday reshuffled his cabinet due "to the need to relocate men for the best compliance with government goals and objectives," said the president, who took power in August 1989.

Foreign Minister Carlos Iturralde confirmed that the whole cabinet presented its collective resignation to facilitate the executive branch's objectives.

"This readjustment, far from representing a cabinet crisis, leaves behind the old and narrow political models and it facilitates new perspectives of party understanding," Iturralde said.

The appointment of Paz Zamora's new ministers caused some surprise among political observers and opposition party leaders.

Such is the case of Rear Admiral Alberto Saenz Klinsky, the new defense minister, who was integration minister during Luis Garcia Meza's de facto government (1980-1981).

According to government sources, the appointment of a military man in the Defense Ministry was due to an express request from the Armed Forces to the president of the Republic.

Opposition party leaders interpreted the appointment of Leopoldo Lopez as industry and commerce minister and Gonzalo Valda as mining and metallurgy minister (both from the Movement of the Revolutionary Left, MIR) as the payment of a "political debt" contracted by Paz Zamora with his party members for their political commitments.

The Education Ministry, which was headed by a MIR member, is now headed by a member of the Nationalist Democratic Action, ADN.

The Energy Ministry is now headed by an "independent" who is very much favored by Paz Zamora. Economist Herbert Muller is heading one of the key ministries for Bolivian economy in replacing Engineer Angel Zannier, from the MIR. [passage omitted]

Spokesman Denies Minister's Resignation

PY0908015491 La Paz La Red Panamericana in Spanish 0000 GMT 9 Aug 91

[Text] Despite persistent rumors, a minister has not tendered his resignation during the cabinet meeting today.

Government Spokesman Roberto Rueda Pena announced that a minister had not tendered his resignation and today's meeting focused on social and political topics. He said: A resignation has not been tendered, either collectively or individually.

Rueda Pena noted, however, that changes will be made in the cabinet when the president considers it appropriate and necessary for the good of administration by the executive branch.

Asked if this may have been the last meeting of this cabinet before the reshuffling announced for next week, Rueda Pena sidestepped the question by saying that it is up to the president to make a decision on these matters.

Fortun Resigns as Minister Without Portfolio

PY0908011091 La Paz EL DIARIO in Spanish 2 Aug 91 p 1

[Excerpts] Guillermo Fortun Suarez today tendered his resignation as minister without portfolio, a post he has occupied for the first two years of President Jaime Paz Zamora's administration. The reason for his decision is his campaign for Senate president that will be elected today.

Senator Guillermo Fortun's resignation as minister of the Patriotic Agreement Government is contained in a note submitted to the president of the Republic yesterday. [passage omitted]

Upon learning of Fortun's resignation, President Jaime Paz regretted his decision to leave the executive branch due to political commitments with the Patriotic Agreement National Project. [passage omitted]

Ministry Refuses Letters From Drug Traffickers

PY0908181691 La Paz Radio Fides Network in Spanish 1100 GMT 9 Aug 91

[Text] The Interior Ministry will no longer accept letters from drug traffickers. In order to enforce the terms of the pertinent decree-law, it will only accept the actual surrenders of people involved in the drug trade.

Minister on Progress of Coca Eradication Program

PY1008141691 La Paz La Red Panamericana in Spanish 0000 GMT 9 Aug 91

[Text] Campesino Affairs Minister Mauro Bertero has reported that eradication plans for coca plantations will be implemented at established levels during the second half of 1991. Bertero stated there are no problems with economic compensation for coca growers for each hectare that is eradicated. He reported that under the terms of Law 1008, the government had to pay for only 510 hectares of the total 748 hectares eradicated during the first half of this year.

[Begin Bertero recording] [passage indistinct] in April and May made it impossible to implement a better, more integrated coca eradication plan. Yet, last month we saw that of the 748 hectares eradicated, 510 hectares were paid for, while the remaining hectares were not paid for because these were new crops; that is, crops that came after Law 1008, and did not merit a comprehensive credit program or any economic compensation. [end recording]

Government Protests New Chilean Border Markers

PY0908005091 La Paz EL DIARIO in Spanish 2 Aug 91 p 1

[Text] The government has confirmed that Chile built new border markers affecting 25 square kilometers of our territory. The incident forced our country to present a note to the Chilean Foreign Ministry demanding an explanation for the arbitrary measure and requesting the immediate removal of the border markers.

Foreign Minister Carlos Iturralde said Chile obviously has built border markers affecting 25 km of our territory. The minister made this statements in front of General Jorge Moreira, Armed Forces commander in chief; Army Commander General Guido Sandoval; the Military Geographic Institute director; and the National Borders Commission director.

The foreign minister said three secondary, metal border markers were not located in the right place, affecting our country's interests, and that the issue had to be discussed within the mechanism established in the 1904 treaty.

The government was pressured by the Armed Forces, Congress, Potosi and Oruro civic organizations, and people who demanded respect for our sovereignty after learning of the problem. In the beginning, the Armed Forces feared a larger Chilean penetration into our territory and presented a note to the president of the Republic asking him to allow a Foreign Ministry commission to travel to the area to investigate.

The Foreign Ministry held a news conference, during which a spokesman admitted that Chilean-Bolivian border markers Nos. 48 and 49 were not removed. The spokesman showed concern, however, for the building of new border markers affecting our territory.

In the last few hours, Congress recommended sending a note to the Chilean Government protesting the Chilean penetration into national territory. Congress also said the government must voice its protest to international organizations, demanding respect for our territory.

Bolivia has had a border conflict with Chile since 1879 when, after a war of aggression, Chile usurped national territory, keeping the sea coast captive. The country has been landlocked since that incident.

The government also has decided to send a note to the Chilean Border Commission to discuss the correct location of the three secondary border markers that were built in 1981. The commission is scheduled to meet in November.

The foreign minister considers that the two countries' commissions will have to meet to determine the final position of the border markers in accordance with the 1904 agreement because the two governments do not maintain relations.

The Foreign Ministry said that it will send a mixed commission to the conflict zone so that representatives of national organizations can verify the situation in the field for themselves.

Markers To Be Examined

PY0908180491 La Paz Radio Fides Network in Spanish 1100 GMT 9 Aug 91

[Text] Foreign Minister Carlos Iturralde has announced the beginning of fieldwork to position border markers on the Chilean border.

[Begin recording] [Iturralde] The fieldwork planned by the Bolivian and Chilean border commissions was scheduled to begin on 7 August and to end on 31 August. No visit to the Sillillica Region was scheduled. This is the region where border markers 48 and 49 are located. We decided that the two commissions will visit that region tomorrow. [passage indistinct] [end recording]

The information supplied by the minister was confirmed by the Chilean Foreign Ministry approximately a week and a half ago. The minister said we made the decision, but it was actually the Chileans who proposed this solution. The country should be aware of this. It was the Chileans who made the proposal. The Chileans had proposed a visit to the area on 7 August; however, 9 August will be the date for the visit to the sites of border markers 48 and 49 at Apacheta of Sillillica and at Piga Mountain in Daniel Campos Province, Potosi Department, going from south to north along our border with Chile.

[Begin Iturralde recording] We are waiting for the various congressional [words indistinct], then we can invite both congressmen and journalists. This is a meeting of the border commissions from both countries. [end recording]

Sale of U.S. Mineral Reserves Causes Concern

PY0908171091 La Paz Radio Fides Network in Spanish 1100 GMT 9 Aug 91

[Text] The Bolivian economy is in danger because of the U.S. Government's predisposition toward selling all its mineral reserves, Mining and Metallurgy Minister Walter Soriano Lea Plaza has said.

[Being Lea Plaza recording] Actually, (?they will) put GSA [as heard] reserves on sale. If such is the case—because the decision has not yet been confirmed— we would truly confront a catastrophe because many countries and enterprises would be plunged into a serious crisis that would undoubtedly entail serious consequences for the future. I doubt that this report will be confirmed; first, because I really would not like it to be confirmed and second, because it would be very serious for Bolivians, who would have to start all over again. [end recording]

FRN Party Created; Presidential Candidate Chosen

PY0908013691 La Paz PRESENCIA in Spanish 1 Aug 91 p 5

[Text] Yesterday, Ramiro Paz Cerruto was proclaimed a candidate for the presidency of the Republic in the 1993 elections. The son of former President Paz Estenssoro will participate in the general elections with the support of a new political force, the National Revolution Front [Frente de la Revolucion Nacional] (FRN). The FRN is made up of peasants and former dissident deputies of the Nationalist Revolutionary Movement (MNR). Paz Cerruto's father is the MNR's leader for life.

After a short trip to the United States, Paz Cerruto arrived in La Paz yesterday. His supporters, former MNR dissident deputies, met him and announced that they support his candidacy for the presidency.

The new political leader said his trip to the United States obeyed the need to seek economic support from the Bolivian residents who live in various states there.

After pointing out that his front will follow the ideological, political, and philosophical line of his father, Dr. Victor Paz Estenssoro, and the beginning of the Revolution of 9 April 1952, Paz Cerruto said: I met with many Bolivians who pledged to supply funds to finance my political campaign.

After lashing out at the MNR's current attitude and leadership, Paz Cerruto said the FRN will be a multiclass [policlasista] party in which the peasants will have more participation. According to Paz Cerruto, the MNR's current leadership just responds to the interests of the new neo-oligarchic class that wants to buy the country.

Paz Cerruto added: Our party has the MNR's spirit and soul. We will build the new party of the revolution with or without the original acronym.

In brief remarks, the peasants who met at El Alto International Airport said they are former MNR members. After delivering a poncho and a headdress [lluchu] and proclaiming him FRN leader and presidential candidate, one of Paz Cerruto's sympathizers said: We have abandoned the MNR because the peasants have been neglected. [Current MNR leader] Sanchez de Lozada does not represent the country's interests but the interests of a new, rich political class.

Brazil

Collor Installs Council; Calls For Integration

PY1208030491 Rio de Janeiro O GLOBO in Portuguese 7 Aug 91 p 3

[Text] Brasilia—During an installation ceremony for the Council of the Republic which took place in Planalto Palace yesterday, President Fernando Collor defended the amendments of the Constitution so that it can serve as a tool to modernize the country. The president said in a speech that the Constitution is an instrument that guarantees governability. He complained, however, of the difficulties that the current Constitution imposes on governors. According to Collor, amendment of the Constitution is a demand to satisfy society's wishes. Two weeks ago, the government pressured the IMF to replace the chief of its mission in Brazil, Jose Fajgenbaum, for calling for amendment to the Constitution.

After saying that his government "is leading a broad transformation project," Collor stated:

"In some cases, the changes demanded by society require adaptations or the adjustment of some constitutional dispositions within the normal process of legal adjustment. Some possible amendments were suggested for broad debate in the National Reconstruction Program which, I presented last March as a platform for the resumption of development and for the correction of our historical social distortions."

He added that his administration decided to face the challenge of modernizing the country "by struggling against a centuries-old legacy of inequalities," and he stressed that this is being carried out "within a framework of absolute balance of power among the government branches."

Collor said he hoped the Council of the Republic will promote greater integration among the government branches, facilitating political understanding. Collor asked "the interpreters of the Constitution," especially the members of the Federal Supreme Court, to consider the social and political dynamics of our times and acknowledge the people's desire for change.

The Council of the Republic
Members:
The president of the Republic (Fernando Collor)
Vice President of the Republic (Itamar Franco)
President of the Chamber of Deputies (Ibsen Pinheiro)

President of the Senate (Mauro Benavides)
Majority bloc leader in the Chamber of Deputies (Ricardo Fiuza)
Minority bloc leader in the Chamber of Deputies (Genebaldo Correa)
Majority bloc leader in the Senate (Humberto Lucena)
Minority bloc leader in the Senate (Marco Maciel)
Minister of Justice (Jarbas Passarinho)

Two representatives appointed by the executive branch (Saulo Ramos and Thales Ramalho)

Two representatives chosen by the Chamber of Deputies (former deputies Paulo Macarini and Vitor Fontana)

Two representatives chosen by the Senate (former Senators Severo Gomes and Jorge Bornhausen)

The six members who are appointed and chosen for a three-year term in the Council of the Republic without the right to renew their mandates must be native Brazilian citizens.

The two members appointed by the executive branch were suggested by former President Jose Sarney.

Collor on Guidelines, Challenges of 'Big Project'

PY1208024291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Aug 91 p 9

[Third in a series of three articles by President Fernando Collor: "Big Project: Guidelines and Challenges"]

[Text] In this third article on the Big Project of National Reconstruction, I want to discuss the next steps we must take to achieve its objectives.

The enormous array of actions provided for in the "Big Project" are divided into very short-, short-, and medium-term tasks. These are the basic guidelines we have on hand to face the long-term challenges.

In the very short term, society must show an interest in the issues that are already being discussed in Congress and that I outlined in the second article of this series, published on 31 July. During the next six months, congressmen must intensify and accelerate voting on these proposals. Among them, I want to stress those which affect the financial and operational situation of the state; especially, the system of rendering public services through private initiative. Stable, well-known rules can create the essential conditions for greater private sector participation in these activities.

In the short term, we must intensify debate on two related problems: reform and simplification of the tax system and reassessment of the jurisdictional limits for federal, state, and municipal sectors. We must put an end to the duplication (or triplication) of functions. In the health sector, for instance, superimposed bureaucracies waste resources while there is no money to buy adhesive tape, syringes, and sheets. This state of affairs cannot go on, and the political and social leaderships have an obligation to change things as soon as possible.

1) The "Big Project" notes that some very few specific aspects of the Constitution could bear amendment. A continuous updating of the legal system is essential for a democratic system. In countries where constitutions are succinct, changes do not affect their constitutions because those constitutions include only general principles and rules. Our tradition is different: The Brazilian Constitution regulates, in detail, almost all sectors of society. Thus, it is natural that our need for changes is more frequent. This is an argument we have to face very willingly and, especially, with a desire to build a better country.

2) The progress achieved since March 1990, especially the consistency with which our modernization project has been and will be fulfilled, must increasingly reflect the benefits for our foreign image and, consequently, the advantages of attracting foreign investments. For many reasons, we now have an opportunity to improve our position in the tough international competition for financial resources. Victory in this struggle is absolutely essential for our development.

3) The idea that Brazil is a country with a promising future depends on our success in establishing a society where there is justice, education, and a political system capable of overcoming the problems and the crisis based on the growing shared responsibility of the branches of government and on the greater participation of society. It also depends on us trusting ourselves: Brazil's image abroad, in the long term, will reflect our self-image.

All these tasks are aimed at the need to fulfill contemporary requirements for building a modern society, taking into account the fact that development mechanisms have suffered important changes over the past decades. It is appropriate to recall that in the 1950's and 1960's, "transport and energy" were the two essential conditions for development. Investment in those areas by the state provided the means for private initiative to invest with prospects for good profits. Economic growth and a hope of overcoming poverty stemmed from those sectors.

Today, things have changed. The indebted state has no resources to invest in infrastructure and must resort to private foreign and domestic capital in order to maintain the infrastructure, private investment, economic growth, and well-being. But a recovery of confidence, with the resulting capacity to attract capital, will be possible only if there is stability in the rules of the game and if the three rules of development are verified: justice, education, and an effective democratic political system.

This is the challenge we have ahead of us. This is the path we have to follow to achieve our greatest aspiration—to end poverty and underdevelopment. I know this is the desire of all Brazilians, and I am certain that this challenge will be overcome with the help of God.

Collor Rules Out Possibility of 'Economic Shock'

PY1108024291 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Aug 91

[Text] President Collor has guaranteed that inflation does not frighten Economy Minister Marcilio Marques Moreira. Collor also ruled out the possibility of any new economic shock. In order to control inflation, the president said, it is necessary that businessmen respect agreements reached in the sectorial chambers on prices.

[Begin recording] There is no possibility of an economic shock, not at all. Minister Marcilio is simply reasserting our policy, that is, absolute monetary and fiscal austerity. We have maintained this for years. [end recording]

According to President Collor, when an agreement reached in a sectorial chamber is broken, the government must intervene.

Economy Minister Feels 'Isolated,' 'Discredited'

PY1008165491 Rio de Janeiro O GLOBO in Portuguese 7 Aug 91 p 3

[Reported by Maria Lima and Regina Alvarez]

Minister Marcilio Marques Moreira's image is declining in President Collor's eyes. The team itself is feeling isolated within the government and discredited in the eyes of society.

Some major economic decisions recently made by President Collor were not analyzed with the economy minister. Among these decisions were the early end to the freeze on new cruzado deposits, rejection of the salary regulation proposal submitted by Marques, and the confrontation with the IMF.

Planalto Palace advisers have said that the president has become increasingly close to Antonio Kandir—former Economy Ministry secretary of economic policy—with whom he identifies and feels in close contact, according to what Collor himself has told trusted interlocutors.

Within the government, the economic team feels isolated and harassed by some officials who are closer to the president, such as Infrastructure Minister Joao Santana, Regional Development Secretary Egberto Batista, and Banco do Brasil chairman Lafaiete Torres.

According to economic advisers, the lack of harmony within the government between Marques and the president, on one hand, and between Marques and Congress, on the other—which is being observed and commented on by businessmen and politicians—is a factor that lowers inflation expectations.

A close assistant to Marques, concerned about last month's rate of economic deterioration, said: "The government must show that it can do things and that it is actually governing."

Despite the fact that they acknowledge a deterioration of the economy minister's image, aides close to President Collor do not believe he will be replaced because, at this time, such a step would involve great political erosion for the government. They confirmed that Collor would like Professor Kandir back, and that both have been in constant contact over the phone.

The president consulted with Kandir, who is a former secretary of Zelia Cardoso de Mello, in writing three reports on the Big Project that were published by newspapers. Collor opposed the proposal to regulate wages up to three minimum salaries—this proposal was submitted by Marques—after Justice Minister Jarbas Passarinho reminded him of the reasons why Kandir advocated free salary bargaining and regulation of the minimum salary.

Collor Denies Comments

PY1008170491 Rio de Janeiro O GLOBO in Portuguese 8 Aug 91 Economic Section p 7

[Text] Brasilia—President Fernando Collor, through his spokesman, Claudio Humberto, reacted yesterday to reports on the isolation to which Economy Minister Marcilio Marques Moreira is reportedly being subjected by the government.

Claudio Humberto said: "The president asked me to say that Minister Marcilio Marques Moreira is and has always been in harmony with the government and that there is absolutely no truth in the speculation on decline or isolation."

On 6 August, government advisers and even Economy Ministry advisers commented on the minister's decline and reported that Marcilio Marques Moreira had not been consulted by President Collor prior to making important economic decisions on various occasions. The sources mentioned as an example President Collor's ardent protest against an IMF official, the decision to release frozen new cruzados early, and the rejection of an Economy Ministry proposal to index low salaries.

Claudio Humberto countered these examples, guaranteeing that Minister Marques Moreira and President Collor agreed on the need to react promptly to remarks by then IMF mission chief Jose Fajgenbaum, who suggested changes in the Brazilian Constitution.

Claudio Humberto also guaranteed that Minister Marques Moreira was actually consulted on the early release of new cruzados.

Presidential spokesman Claudio Humberto emphasized: "Proof of this is that Minister Marques Moreira—not President Collor—was the first to announce the measure. As for the president's reported veto of a project to index low salaries, this is completely groundless because such a project never existed."

Additional Agreement Reached With Creditor Banks

PY0908165691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Aug 91

[Text] Brazil and the committee of creditor banks have reached an agreement on payment of the Brazilian foreign debt. This is in addition to the one reached on 20 June. It establishes that Brazil must pay $2 billion in overdue interest before the end of the year. The government paid $900 million last July and will pay $500 million next 19 August; the remaining balance will be paid in monthly installments from September to December.

World Bank $5 Billion Loans Not Disbursed

PY0908004091 Rio de Janeiro O GLOBO in Portuguese 4 Aug 91 p 54

[Reproted by Joao Borges]

[Excerpt] Brasilia—The World Bank (IBRD) has approved loans for $5 billion for Brazil. However, these loans are not being disbursed because the country does not supply the matching funds established in the contracts. According to the IBRD, problems in the implementation of the projects have been accumulating over the past few years, causing a discontinuity in the disbursement of funds. The $5 billion is definitely not lost, however, it is not arriving in Brazil in an orderly flow, thus jeopardizing the implementation of important social and infrastructure projects. The money is also important for settling the balance of payments.

Jose Arthur Denot Medeiros, the director of the Economy Ministry International Affairs Department, avoids comment on the World Bank's figures. He admits, however, that, as a result of the budget restrictions imposed by the policy to curb inflation, "all the projects with the IBRD end up having some type of problem." Upon granting a loan, the World Bank asks that, for each dollar loaned, the country receiving the loan put up the same amount in national currency in order to implement a project. These requirements are seldom met to the letter by Brazil. [passage omitted]

Embraer Official Negotiates Refinancing in U.S.

PY1108032091 Rio de Janeiro O GLOBO in Portuguese 8 Aug 91 p 28

[Text] Ozires Silva, Embraer [Brazilian Aeronautics Company] Superintendent, began yesterday an eight-day visit to the United States to negotiate the rescheduling of Embraer's short-term $680 million (241.4 billion cruzeiros at the commercial exchange rate) debt with bankers and suppliers. He will meet with the Garret Corporation board of directors to negotiate the large-scale production of the CBA-123 Vector airplane—a 19-seater at a unit price of $5 million (1.77 billion cruzeiros). Ozires' main task will be to restore the foreign image of the company, which since last year has not been paying its suppliers, ended up without spare parts, and delayed deliveries.

Ministry Reports on Illegal Activities in Amazon

PY0908011791 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 6 Aug 91

[Text] An Aeronautics Ministry report reveals that most economic activities in the Amazon region are illegal or irregular.

Aeronautics Minister Socrates da Costa Monteiro issued the report which was submitted to the National Defense Commission of the Chamber of Deputies in Brasilia. The minister reveals that 90 percent of the economic activities in the Amazon region are illegal or irregular, carried out by front companies involved in cocaine trafficking and gold smuggling. The report also mentions that these enterprises use official airports and clandestine airstrips to transport their products.

The report states that the Porto Velho Airport, in Rondonia, has practically no security measures. The range of the control tower is limited and it has no air traffic control system. Aircraft can use the airstrip without being challenged.

The Porto Velho Air Club is also being investigated. It was the headquarters of the main Rondonia drug trafficker, (Marcelo Braga), who died last year at the club, when his aircraft exploded shortly after taking off. The cause of the explosion still is unknown.

(Marcelo Braga)'s partner in the cocaine trafficking business was (Abigel Pinto Rabelo) with whom he formed a drug ring, which included several pilots. They had more than 20 aircraft transporting cocaine.

Civil aviation police forces allegedly involved in drug trafficking will also be investigated by the federal revenue office. Aeronorte, one of the largest enterprises in Rondonia, is the main target of investigations. The enterprise has been charged with corruption of minors and of white slave trading between Minas Gerais and Porto Velho. Aeronorte will have to explain to the court where it acquired its aircraft and how the enterprise grew so quickly.

Chile

Polish Foreign Minister Continues 2-Day Visit

Calls For 'Advantageous' Ties

PY0908163891 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 9 Aug 91

[Text] Polish Foreign Minister Krzysztof Skubiszewski has stated that Poland and Chile must build a relationship that is advantageous for both countries. Skubiszewski, who is on a two-day official visit to Chile, commented that the Chilean economy is an example in Latin America.

The Polish foreign minister was decorated yesterday with the Chilean Grand Cross of Merit during a ceremony in the Foreign Ministry's Red Hall. This is the highest award granted by the Republic of Chile and is imbued with great Latin American ideals.

Silva Cimma said on that occasion that the award represents sincere homage to the liberating spirit of the Polish people, who have managed to preserve, even during long and very difficult times, their love for their fatherland and their unwavering respect for mankind's basic values.

The 62-year-old Polish minister, who joined the Solidarity movement that is currently in power in 1980, said that Chile and Poland have much to achieve in the field of commerce because the potential for Chilean exports in Poland is very good. He noted, however, that the best opportunities lie in the establishment of joint ventures, in building port infrastructure, and in the fields of fishing and shipyards.

Ends Official Agenda

PY1008222091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 10 Aug 91

[Text] After finishing his official agenda in Chile, Polish Foreign Minister Krzysztof Skubiszewski said that Lech Walesa might visit Chile in the first half of 1992. He said there are possibilities for Walesa to visit Chile, but no decision has been made yet, and the visit must be arranged with Walesa himself.

For Poland, he said, it is very important to promote ties with Latin America, and within Latin America with Chile, a nation with which there is practically no bilateral trade.

Among the areas in which cooperation is possible, the minister mentioned the operation of mixed enterprises in the areas of fishing, mining, and the construction of small fishing ships. He added that Poland can buy Chilean fish meal, fruit, vegetables, and food items in general, based on the free-market system that will increase consumption in that East European country.

Minister Views Possibility of Aylwin's Reelection

PY1008210291 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 10 Aug 91

[Text] The reduction of the presidential term to four years, with the possibility of reelection, could neutralize the reasons the president has claimed in refusing to extend his term. This possibility was mentioned by Interior Minister Enrique Krauss during a news conference at La Moneda. Krauss added that the final decision will be made by the president.

[Begin recording, in progress] ...Because it is a matter that appears important, because taking into account the attitude of President Aylwin, who rejected the proposals that were formulated, this could produce a new chance for considering the issue. The final decision will be made by the president himself because, in the end, it is the president who will make the decision. Beyond all doubt, notwithstanding all the ethical reasons the president has claimed from a personal and a political viewpoint—reasons that in my opinion are very respectable—could be neutralized if the situation led to reelection as an expression of the people's will to extend his current presidential term. I reiterate that this will entail the corresponding institutional modification. [end recording]

Krauss also admitted that substantial progress has been made in the talks with the opposition and the Coalition of Parties for Democracy in search of an agreement on municipal and regional reform.

It is expected that the final agreements will be reached during the second Senate session period, which will begin on 12 August.

Economy Minister Comments on Possible Resignation

PY0908214491 Santiago EL MERCURIO in Spanish 1 Aug 91 p B-12

[Excerpt] Economy Minister Carlos Ominami, in answer to a question about his eventual resignation, said that he is willing to make any decision to strengthen the agreement between the Socialist Party and the Party for Democracy (PPD). He said, however, that the president's opinion is a determining factor in this case. [passage omitted]

Silva Cimma Discusses Laguna del Desierto Issue

PY0908204491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 9 Aug 91

[Text] Foreign Minister Enrique Silva Cimma made it clear today that the withdrawal of Argentine border police and Chilean Carabineros from the Laguna del Desierto area is an initiative that must be determined by the arbitration commission. He said the information supplied by the media on this issue is incomplete.

On 6 August, during a news conference held by President Patricio Aylwin to explain the border agreements he signed in Argentina, Foreign Minister Enrique Silva Cimma made the following statement:

[Begin recording] In southern Laguna del Desierto there are some Argentine border police and, obviously, when the so-called commitment is established, that is, 90 days after the signing of this agreement, the entire zone must be unoccupied and at the disposal of the arbitration commission. It must be unoccupied both by inhabitants or Argentine border police and by Carabineros in zones of occupation. [end recording]

A morning newspaper in our capital reported today that Argentine Foreign Minister Guido Di Tella denied a report published by the Chilean media about Enrique Silva Cimma's remarks.

The morning newspaper reproduces the remarks made by the Argentine foreign minister. Guido Di Tella says: I have talked with the Chilean foreign minister and he told us that he never said such thing, that it was a concoction by the press.

At La Moneda Palace, Enrique Silva Cimma was asked today about Guido Di Tella's remarks.

[Begin recording] [Reporter] It is not clear to me whether the population and the [Argentine] border police and the Chilean Carabineros must withdraw within a period of...

[Silva Cimma, interrupting] No, no, no. I am telling you—and I already started telling you this before—that this is not included in the agreement's provisions.

Nevertheless, I consider that it might be viable that the people involved in the agreement [compromisarios], that is, the arbitrators, could establish that and I believe that this is the proposal that must be supported. Now then, if that proposal is not valid, the arbitrators simply will not accept it.

[Reporter] Is that what you told the Argentine foreign minister?

[Silva Cimma] Exactly.

[Reporter] It has been said that your response to the Argentine foreign minister was that the media mistakenly had reported with regards to the news conference.

[Silva Cimma] No, no. I believe (?they are now) discussing the letter that I sent to the Argentine foreign minister.

[Reporter] In other words, we are not mistaken, foreign minister?

[Silva Cimma] In other words, your reports are incomplete, not mistaken. It was not your fault.

[Reporter] Foreign minister, you suggested it was part of the agreement...

[Silva Cimma, interrupting] No. I started telling you that there is no agreement on that issue. [end recording]

Turning to other issues, Foreign Minister Silva Cimma said the government will not accept a proposal made by Uruguayan President Luis Alberto Lacalle for the OAS to mediate between Chile and Bolivia.

Silva Cimma noted that Chilean-Bolivian relations are not a hemispheric issue.

Commander Denies Reinforcement of Border Points

PY0908214091 Santiago LA TERCERA DE LA HORA in Spanish 2 Aug 91 p 12

[By Juan Carlos Poli]

[Text] Arica—General Jorge Lagos Silva, 6th Army Military Division commander, has denied that personnel from this division have been reinforcing posts on the Bolivian border by sending personnel from the garrisons headquartered in Parinacota Province.

Gen. Lagos Silva made these remarks in response to repeated reports that Chile has been reinforcing its borders in the zone, due to a mobilization by the Bolivian military forces to safeguard its sovereignty, after accusations that Chile reportedly had moved the border markers.

The general said the situation in the zone at this moment is absolutely normal and that troops from the 12th Parinacota Brigade are in their posts carrying out their regular duties of safeguarding sovereignty.

UN Willing To Support Antidrug Struggle

PY1108004291 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Aug 91

[Text] The United Nations is willing to fully support Chile in the antidrug struggle, a problem that Giorgio Giacomelli, executive director of the UN antidrug program, described as being in its initial stage. Giacomelli is UN general under secretary.

He met President Patricio Aylwin at La Moneda Palace this afternoon. He says that this multilateral organization is willing to cooperate with the appropriate measures so Chile can fight drug trafficking. He says the United Nations can provide financial assistance but that it should be a very good project so UN members can support it.

[Begin recording] I have to submit an adequate project so that UN member countries can supply the resources to the 12 Chilean regions. I also think that, better than financial assistance, Chile needs an exchange of information and access to the experiences of other countries in order to avoid repeating the mistakes and to make use of these experiences. It should establish contacts and exchanges of information that can benefit everyone. [end recording]

He said that no country can solve this scourge by itself and that all nations should act together to control it.

[Begin recording] [Unidentified reporter] In your opinion, which is the most negative aspect of drug trafficking besides the damage it causes to the economic sector and terrorist actions it can generate? Is drug trafficking more harmful for drug consumers' health or the corruption it generates in the human being?

[Giacomelli] I believe that this scourge affects all aspects. It is true that what moves us most is the damage drugs can cause to our children and society. An indirect consequence of drug trafficking is the economic damage, corruption, and especially the fact that the drug is very dangerous because it is not an alternative, it does not represent the search for another solution. It is a means to

escape reality, to live in a world that does not exist. It contributes to stopping and harming the progress of society. [end recording]

Giacomelli said President Aylwin has taken on this problem, which he describes as a scourge that is in its first stage in Chile, with great responsibility. He said it is very important to fight it at its roots by providing Chile all the necessary support so that an appropriate law can take force.

Colombia

Guerrillas Accept Proposal on Peace Talks

PA0908190491 Mexico City NOTIMEX in Spanish 1817 GMT 9 Aug 91

[Text] Santa Fe de Bogota, 9 Aug (NOTIMEX)—The Colombian Government and guerrillas agreed today to advance the date when the third round of peace talks will be held. The talks had been scheduled to take place in Caracas on 26 August.

Manuel Marulanda Velez, chief of the Revolutionary Armed Forces of Colombia (FARC), said the rebel commissioners are "ready" to travel to Venezuela to resume the talks with President Cesar Gaviria's government.

Jesus Antonio Bejarano, presidential adviser and member of the government commission, announced yesterday his willingess to advance the date of the talks to "make progress in the search for definitive agreements."

According to Marulanda Velez, spokesmen from the FARC—the largest organization within the Simon Bolivar National Guerrilla Coordinating Board (CNGSB)—they have already concluded their discussions with the high command regarding the preliminary agenda agreed upon in previous meetings held with the government.

"We can inform the Colombian people that the CNGSB will bring a new cease-fire proposal to the next round of talks, which will allow us to make headway in the peace process," the guerrilla leader said.

He said the organization will not accept the initial proposal made by the authorities to declare a "delimited and verified" cease-fire, "We will ask our counterpart for a change of positions," he said.

The government and guerrilla representatives have agreed on an agenda during their meeting held last June, which includes the possibility for a cease-fire—the greatest obstacle in the negotiation—the international verification of the process, and the demilitarization of certain areas in the national territory.

Gaviria Views Extradition, Judicial Cooperation

PA1008162291 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 9 Aug 91

[Text] President Cesar Gaviria said this morning that the nonextradition policy cannot turn Colombia into a nest of impunity, much less into a hideout for bandits, pirates, and crooks. Gaviria made this statement upon dedicating the new headquarters of the Immigration Directorate of the Administrative Department of Security [DAS] which will also allow for a greater control of aliens transiting through Colombia.

[Begin Gaviria recording] This last reflection leads me to an issue which I believe is of great importance. The prohibition on the extradition of Colombian nationals, approved by the Constituent Assembly, has raised certain questions about the scope of the application of penal justice in Colombia. Some analysts have confused the right that all Colombians now have to be tried in Colombia with an alleged impunity privilege. That is incorrect.

The new constitution authorizes the judicial branch to try in Colombia those Colombians who have committed a crime abroad. Colombians who believe that they may commit a crime abroad and then seek sanctuary in the country to escape justice are completely mistaken. We will not allow Colombia to become a hideout for bandits, pirates, or crooks. To that end we are developing a strategy directed at increasing judicial cooperation with other countries. The objective of this policy is to speed up the process by which evidence and proof is sent from foreign authorities to be presented during penal procedures in Colombia. In addition, cooperation with other countries in the serious pursuit of those who have committed crimes abroad is a policy objective. [end recording]

* Experts Discuss Prospects for Public Prosecutor

91SM0415A Bogota EL TIEMPO in Spanish 8 Jul 91 p 3A

[Interview with Carlos Daniel Abello, Constituent Assembly member, MSN [National Salvation Movement]; Antonio Suarez, president of Asonal Judicial; and Jaime Bernal Cuellar, defense counsel, by Edgar Torres; place, date not given]

[Text] A study carried out by federal judges last February showed that since establishing the Penal Procedures Code in the early 1980's, the Government has instituted a reform law through the Ministry of Justice an average of every 14 days.

The explosion has been even greater over the last five years, and in the search for more efficient alternatives in the fight against crime and impunity, the country has created three special jurisdictions and instituted four statutes of an extraordinary nature. However, impunity levels continue to be high.

In response to this situation, in the new constitution the position of Public Prosecutor has been created. Carlos Daniel Abello Rocca, National Salvation Movement (MSN) representative and promoter of the initiative in the assembly; Antonio Suarez, federal judge and president of the Association of Officials and Employees of the Judicial Authority (Asonal Judicial); and Jaime Bernal Cuellar, penal law expert and supporter of the prosecuting system since 1980, analyze the possibilities.

[Torres] The failure of criminal justice in Colombia is a well-known fact, and the question is, what effective advantages does the Public Prosecutor's office carry with it, given the past?

[Abello] It is clear that a Public Prosecutor implies a drastic division between the investigation and prosecution of criminals, and the sentencing stage, if you will. The Public Prosecutor clears the way for the investigative units and breaks the paralysis of the Ministry of Justice. Today, if a judge has to preside over a trial, his other tasks are abandoned. Instead, an investigative unit comprised of several prosecutors, supported by experts in various specialties and Judicial Police agents, will carry out a permanent, dynamic, and timely investigation. The prosecutors will have to have authority throughout national territory.

[Suarez] If the political will exists, the system will function. Political will means money, resources. We judges will not be inferior to the prosecutor's role, but establishing a network of prosecutors from the investigative units and the technical and analysis teams (forensic laboratories, ballistic analysis departments, etc.) to obtain proof, requires money.

[Bernal] To the extent that the Public Prosecutor's Office is subject to a Procedural Code that implies new documentation and processes, it will assure an efficient and dynamic investigation. It is clear that there will be a unification of investigative criteria and resources.

[Torres] How will a public prosecutor differ from the current role of investigating judge?

[Abello] The current office of investigating judges will virtually disappear and will be incorporated into the Public Prosecutor's Office. Now, contrary to a traditional judge, closeted in an office with a typewriter and a secretary and investigating a pile of cases, the public prosecutor will be an official belonging to a team of investigators receiving technical and logistical support from the Judicial Police. Today, the judges go in one direction and the police in another.

[Suarez] It is obvious that the Public Prosecutor will be provided with the resources that investigating judges are currently lacking. The opposite of that would be a change of name: from judge to prosecutor, which makes no sense.

[Bernal] The mere act of integrating investigative teams already establishes a differentiating parameter. I would add that the prosecutor will be an investigator and a real prosecutor at the trial.

[Torres] What are the major pitfalls of creating a Public Prosecutor?

[Abello] Coordination of the Judicial Police's technical units could present severe pitfalls. And on a related topic, there is something the public should be aware of: the Assembly has been presented with a fait accompli: the National Police has invested millions in the Judicial and Investigative Police Directorate (Dijin). One cannot dismantle the entire apparatus. And unfortunately in the Assembly, the law establishing the Judicial Police and Public Prosecutor's office was understood as the introduction of berets and handcuffs and it did not pass. The constitution established that the Public Prosecutor's office would be comprised "of the other officials that determine the law," and therein lies the establishment of a separate Judicial Police group, the final objective.

[Suarez] I believe that the main problem will be political will. To succeed in expressing it in the terms I already indicated. Resources. The contrary goes squarely against the current situation.

[Bernal] It is obvious that coordinating the Judicial Police could generate difficulties primarily because the Public Prosecutor will not be able to have disciplinary power over the agents and because these will be structured in a distinct hierarchical organization in the case of the National Police. Nevertheless, there is also the possibility that Judicial Police functions will be handed over to other authorities. By dint of their specialty the superintendencies, for example, offer new guaranties for the Ministry of Justice.

[Torres] There are also reservations about the real independence of the Public Prosecutor, particularly because it is the president who will name the authorities to which the office will report....

[Abello] The Government's plan anticipated creating the Public Prosecutor as an organization reporting to the administration. The proposal even established that the prosecutor would be an official who could be freely nominated or dismissed. Thus, the prosecutor would be no more than a mere secretary to the president. We radically opposed that. And the formula that you described emerged, which in my judgement would translate into strict quality control and not into dependence.

[Suarez] We judges fear that eventually the Public Prosecutor will indeed end up being an agent at the president of the Republic's orders.

[Bernal] Mistrust must be abandoned. The prosecutor himself will not guarantee the office's independence. The

prosecutor will have a fixed term and will be independent in the exercise of his duties and the management of his budget. That would be the guarantee of his independence.

[Torres] How much time and money will creation of the Public Prosecutor's Office require...?

[Abello] There is a term of one year to put it into operation, at least in the first phase. With respect to the cost, the National Association of Industrialists (ANDI) recently performed a study, according to which the Public Prosecutor would have a cost of 7.5 billion pesos. Those figures reflect the economic terrorism. They assume placing a prosecutor in each city in the country. It has been forgotten that there will be decentralization and that the Public Prosecutor will to a great extent benefit from existing infrastructure.

[Suarez] I do not believe the system will cost as much as that, but it will indeed require many resources. The important thing is to tell the country where the resources will come from and how the tenure of current judicial officials will be assured.

[Bernal] There is a period of one year, which is prudent. But the country must understand that the qualification of the officials, the change in mentality and the future operation of the system to its fullest capacity will require at least a decade. With respect to the establishment of the Public Prosecutor's Office, the country has taken a heroic decision: break up the bottlenecks in the judicial offices.

* Government Regional Integration Plans Detailed

91SM0415B Bogota EL TIEMPO in Spanish
28 Jun 91 p 5C

[Text] Colombia should give priority to negotiating with the Andean Group, and even leading that process, before establishing any other commitments with individual countries.

That was the message of a document delivered for consideration to the Foreign Trade Directive Council on procedures the country should follow regarding free trade and integration agreements.

The study reports that Colombia should adequately articulate its subregional integration policies by adopting an appropriate selection of priorities and a better orientation of existing mechanisms. "The country must maintain an equilibrium between political interests and economic convenience." It was recommended that the integration policy be complemented by relations with developed countries, especially the United States and the European Economic Community.

Regarding negotiation priorities with the Andean Group, the report recommends that Colombia exercise leadership through proposals designed to progressively consolidate liberalization of markets among countries in the region.

According to the document, consideration of agreements to be signed should be weighted toward countries in which there is greatest similarity of economic development, and thus a greater chance of complementarity between the economies.

Priorities would be as follows:

First, the Andean Pact. "The primary effect that is desired here involves relations with Venezuela. Despite a consolidation of the expanded market, Colombia could also benefit in its relations with other countries in the subregion such as Peru and Bolivia."

In the Group of Three, the new type of relationship between Mexico, the United States, and Canada will produce important consequences for Colombia, according to the study.

Third priority is Chile, a country with which Colombia has many similarities in the stability of economic policies, and where there is potential complementarity.

The final option is Central America, a region where, "for political reasons, Colombia should identify means to permit it to compete with countries such as Mexico and Venezuela.

"Regarding the Mercosur [Southern Cone Common Market] countries, particularly Brazil and Argentina, negotiations could begin immediately in respective areas of specific impact."

With respect to compatibility between agreements, the document discussed Colombia's participation in the Andean Group and its possible impact on trade liberalization anticipated in other agreements, especially the Group of Three.

The study states that the most important factor for Andean compatibility is the simultaneous participation of Colombia in a customs union and in free trade areas with the Group of Three, Chile, Central America, and presumably the United States.

In order to advance the trade talks with specific countries in the Andean Group, Colombia has already requested the Cartagena Accord Junta approve the agreements it anticipates with Chile, Mexico, and Central America.

The document warns that in addition to legal conflicts, the creation of free trade agreements could result in distortions from conflicting customs duties and other trade policy instruments.

"Also to be considered are the effects that free trade agreements could have on the preferential margins granted to the Andean countries, and by extension, the flows of intrasubregional trade. Given that, the Cartagena Accord highlights the need to seek joint agreement on accords with third countries."

The report emphasizes that priority should be given to defining the Andean Group's common external customs duties, for the purpose of understanding the conditions that would benefit the partner countries in the free trade agreements.

The document advises that the following should be sought in the negotiations with Mexico: An adequate adjustment period, a faster rate of liberalization on Mexico's part in the initial phase of the process, and compatibility with Colombian trade policy, considering that some aspects of the latter are specifically structured to facilitate the agreement with Mexico.

* Presidential Adviser Cepeda on New Constitution

* Scope Explained

91SM0420A Bogota EL TIEMPO in Spanish 11 Jul 91 p 8A

[Interview with Manuel Jose Cepeda, presidential adviser on the Constituent Assembly and reform, by Edgar Torres; place and date not given: "Citizen, These Are Your Rights"; first three paragraphs are editorial introduction]

[Text] The new constitution is centered on the common and ordinary Colombian. It contains multiple guarantees for the citizen, ranging from broad political participation to the right to file suit regarding pollution in a neighborhood.

At the side of Humberto de la Calle Lombana, the well known minister, is this 28 year old lawyer from the Andes Mountains, who holds a master's degree in law from Harvard Law School and is a teacher in constitutional law in several universities. He was one of the strong cards of the administration of President Cesar Gaviria in handling the constitutional reform.

Manuel Jose Cepeda, presidential adviser for the Constituent Assembly and reform, is the first of several experts whom EL TIEMPO is going to consult to begin a series of articles on teaching about the constitution.

[Torres] For the past 160 days the country has heard about an innumerable number of reforms and of a constitution for the citizen. Now many people are asking themselves: what changed?

[Cepeda] The Constitution of 1886 centered on the separation between the three branches of government: executive, legislative, and judicial. The new constitution is centered on the citizen. This is its backbone. And, because of that, there are three aspects in which the Constitution of 1991 differs substantially from the Constitution of 1886.

First, there is a new and broad framework of rights and guarantees. Secondly, there are vigorous instruments for the political participation of the ordinary citizen through consultations, referendums, and recall elections involving their representatives. Thirdly, the new constitution harmonizes the action between the three branches of government for the benefit of the community.

[Torres] How are these changes reflected in terms of rights?

[Cepeda] The constitution contains a Charter of Rights and Guarantees. There are concrete rights. Let us consider a right which already existed: the right to privacy. Until now it had little real application. In Colombia, for example, there are rules which prohibit judiciary officials and even notaries from living together as couples without being married. That affects privacy.

However, now it affects another right recognized as having real strength in the new constitution: the right to personal autonomy. In this case that right translates into freedom to chose with whom you will live.

I can give another example: at one time we talked about a decree which was going to prevent people from using their automobiles every day. That affects personal autonomy and prevents the citizen from choosing the means of moving about. And that will require a change in the light of the constitution.

[Torres] What means are available to the citizen to ensure that those rights are respected?

[Cepeda] The great virtue of this constitution is that those rights have substance and strength. Rights have ceased being simple statements or abstractions and have been turned into power in the heads of each individual. The constitution has provided for several instruments to convert all of the judges into guardians of rights. One of those instruments is a recourse for protection.

This is a simple recourse. It allows any citizen, at any time, to go before a judge to request immediate protection of a right which he feels is being threatened or which has been violated. It must be stated that this recourse can only be used regarding rights which are called fundamental, such as, for example, the rights to equality, privacy, autonomy, freedom of expression, freedom of assembly, and political rights.

[Torres] Is not the right to equality an abstraction?

[Cepeda] On the contrary, it is one of the most revolutionary and can have the greatest, practical implications regarding the arbitrary exercise of authority and discrimination. It is going to be of fundamental importance to promote social justice. If you take the example of a schoolgirl who is not accepted at a high school because she does not have any money, it can be said that, under the right to equality and in search of a more equitable society, the law could require private high schools, without implying a breakdown of private education, to keep a quota for such cases.

All of this provides that, within a selective system of promotion, even people with limited resources may have access to the best centers of education.

[Torres] What happens to the citizen who knows nothing about laws or decrees?

[Cepeda] The great revolution of the Charter of Rights is precisely that. It is enough for the citizen to know that one of his rights has not been respected to demand that it be restored. It is the judge who adjusts the complaint to the charter. No lawyer is required, nor any extensive, juridical argumentation. This involves the democratization of justice.

[Torres] How long will the resolution of an application for protection take?

[Cepeda] The constitution sets a period of 10 days. And that period of time applies to all judges.

[Torres] What guarantees are there that a judge will recognize a right on behalf of a citizen and that there will be no contradictions?

[Cepeda] The new constitution has been written as a living document. It is natural enough that a judge may hand down a ruling, bearing in mind the particular situation affecting each individual. However, this does not mean that there are no institutions to define the scope of a right. The Constitutional Court has that mission.

[Torres] What other judicial procedures apply in the protection of rights?

[Torres] There are two other, very important procedures. One of them is action by the people to protect their collective rights, such as the environment. The other is a writ of enforcement, which allows any person to require an administrative authority to implement a law when it has not carried out its duty to do so.

In the first case, if a neighborhood is affected by pollution, the citizen can demand of the judge that the pollution stop or that an indemnity be paid. In the second case, if a public body is not checking the quality of certain products, the citizen can ask for a writ of enforcement, under which the judge will require the public body to check into the matter and thus protect the health of the consumers.

[Torres] In general, the Colombian people have lost confidence in the systems of complaints and claims. In terms of rights, what role will the people's defender play?

[Cepeda] What is happening in Colombia is that there is a large number of offices to receive complaints concerning everything. However, no one knows for certain to whom he should apply. The people's defender is going to receive all complaints related to rights. The defender will be a personality in a national level office.

Regarding government bodies, he can request information, and no one can withhold such information from him. If he finds that there is an official responsible for an arbitrary action, he can request the immediate intervention of the Office of the Attorney General, in defense of the rights involved.

Regarding private parties, he has two alternatives available. Let us take the example of the schoolgirl to whom a private high school denies admission, either because the high school does not like the color of her skin or because she does not have enough money. The people's defender can act and, because of his own vigor and the office he represents, can try to persuade the high school to stop the violation of a right. He can also go to a judge in the name of the person affected.

[Torres] The Charter of Rights has provided rights to free education and social security, for example. People ask in what way the state is going to guarantee the effective implementation of those rights.

[Cepeda] Look, one of the aspects which has gone unnoticed is that the National Constituent Assembly adopted a classification of rights. This is a classification which the government proposed and which establishes clear differences between rights for direct and immediate application, such as freedom of expression or equality, and those rights whose application requires legal regulation.

The latter are what we could call rights of progressive development. They are not applied by themselves, in specific cases, but are regulated by the law which defines them. This is because, by their very nature they do not have a clearly specified content. For example, the right to social security. To say that all persons have the right to social security, without saying whether a minimum age is required or whether a period of time worked is required does not give substance to that right. There must be a law. The same thing happens with the rights to recreation and education.

[Torres] When you translate the regulation of these rights into law, will this not drag out their implementation for a long period of time?

[Cepeda] No. The fact is that there is also action by the people's defender as a promotor of rights. He is competent to check how the law operates in practice. For example, the right to health. And he does this from a social, administrative, economic, and political point of view.

Thus, in dealing with a situation involving a specific right, the public defender makes an evaluation and suggests actions to be taken by the executive branch, Congress, and the citizens themselves. It seems simple. However, basically it is the people's defender who promotes the debate and generates solutions. And he does so with an determined ally: public opinion. And not only can he act with regard to the official sector, as happens in other countries, but with regard to the private sector.

* Implementation Discussed

91SM0420B Bogota EL TIEMPO in Spanish
8 Jul 91 p 7A

[Text] The information campaign will be directed at public officials and judges, and special emphasis will be placed on secondary schools. Television will be the principal teaching instrument of the state, Manuel Jose Cepeda, presidential adviser for constitutional affairs, has said.

The government has two priorities regarding the new constitution of Colombia: preparing draft laws to begin to apply it and undertaking an intensive, national campaign to provide information on the changes contained in the Constitution.

Presidential Counselor Manuel Jose Cepeda revealed on 7 July that during the present week the government will work on the draft laws and the standards needed to begin to apply the new constitutional articles. According to Cepeda, it will pay special attention to the establishment of the Constitutional Court, the Office of the People's Defender, and all the mechanisms needed for participation by the citizens.

The official also said that the government will undertake an educational program on the constitution through all of the communications media. For this purpose it will prepare all kinds of publications, such as pamphlets and specialized books interpreting the constitution. Furthermore, it will hold forums at the national level.

In speaking of this activity Cepeda announced that the state will work on three fronts. On the first front it will be public officials who will apply the new constitutional standards. During the present week a series of pamphlets will be printed to make it easier for them to understand the contents of the constitution.

In the second group will be officials in the judicial branch of the government, especially the judges.

Cepeda said: "They have new legal resources to use, such as providing assistance and protecting fundamental rights. The judges will be the great defenders of the basic principles of democracy. They will be among those principally engaged in the struggle against the exercise of arbitrary authority."

The citizens will be the central axis of the third group on which the government will work in providing educational programs on the constitution.

Cepeda announced: "A special information program will be carried out so that all Colombians will know their new rights and the mechanisms for participation."

He also revealed that the government will sponsor a program of education in all secondary schools. Television will be one of the principal instruments which the government will make use of in the information campaign.

According to Cepeda, teaching programs on the new constitution will seek two objectives: "Explaining the contents of the constitution and stimulating the students to participate more fully in it. The most important thing is that the constitution should not go in one direction and the country, in another."

He continued: "Now we are on the way, but we have to move gradually. There are many novel aspects of the constitution which should be developed as rapidly as possible, and there are other questions which are like the agenda of the future."

On the other hand Cepeda said that the government is preparing the administrative and technical support needed for the installation of the mini-Congress, which is scheduled to be sworn into office on 15 July.

In this respect on 7 June Alvaro Gomez Hurtado, former president of the National Constituent Assembly, stated that the Special Commission of 36 members (the mini-Congress) could work in the Boyaca Salon of the National Capitol Building.

In the course of this week the government will also work on the mechanisms for the protection of fundamental rights, the statutory law on states of exception, the adaptation of the judicial system, the Office of the People's Defender, and the Office of the Prosecutor General of the Nation.

* Ecopetrol Plans, Decreasing Profits DiscusseD

91SM0415D Bogota EL TIEMPO in Spanish
10 Jul 91 p 11A

[Article by Jaime Mejia Mazuera]

[Text] The Colombian Petroleum Enterprise (Ecopetrol) decided yesterday to delay construction of a new oil refinery. The new oil discovery could change the need for this facility in the Magdalena Medio region.

According to the company, the recent discoveries in the Piedemonte bed indicate that the country will have lighter and more condensed crude than that already existing outside Puerto Triunfo (Magdalena Medio), where the central refinery project is located. That would necessarily change the facility's financing parameters.

In addition, the basic engineering budget for construction of the refinery ended up being higher than initially suggested in the consultants' studies.

The administration has decided to postpone the project in that region until complete information on the Custana find and on the real costs of the refinery is available.

In addition, the 1991 earnings expectations for the Colombian Petroleum Company (Ecopetrol) have diminished considerably. At the beginning of the year estimated earnings were 180 billion pesos. Today the Government believes the figure will be less than 50 billion.

The company's high costs as a result of damage to the oil infrastructure by the economic terrorists, increased gasoline imports, and decreased crude exports are some of the causes of the expected reduced earnings.

As a result, an investment reduction plan will be carried out. According to National Planning Department Chief Armando Montenegro Trujillo, the High Fiscal Policy Council (Confis) is evaluating the possibility of cutting 18 percent from Ecopetrol's 1991 investment plan.

The initial investment budget was estimated at $390. This amount would be reduced to $320 million. That represents a cut of 50 billion pesos.

In any case it will not affect the planned exploration and drilling budgets. The budget cutting plan would be adopted in an independent manner for each oil district and would seek to cut other types of investment expenditures.

If the estimated reduction in earnings takes place this year, Ecopetrol's earnings will fall by some 60 percent compared to last year.

Last year the oil company brought in net earnings of 123.969 billion pesos, 70 percent more than in 1989, when the net was 52 billion pesos.

In general the state enterprise's earnings were quite favorable in 1990. Crude production grew by 10.5 percent, exports increased and revenues from those overseas sales were improved by the average devaluation rate of 31.3 percent.

In addition, the increase in international oil prices as a result of the Persian Gulf conflict reflected positively on Ecopetrol's operational revenues, which increased by 61 percent.

Other factors, such as the company's assets, increased favorably. That increase was 28 percent, an estimated 1.483 billion pesos.

This year, on the other hand, the Government has modified its expectations. Besides the impact of the attacks on the pipelines, the need to reduce expenses, and the decreased revenues, Ecopetrol must contribute to reducing the Government deficit.

Paraguay

General Romero Says Military To Work for Unity

PY0908233291 Asuncion ABC COLOR in Spanish 6 Aug 91 p 3

[Text] At the end of a meeting between military leaders and PRF [Febrerista Revolutionary Party] and PDC [Christian Democratic Party] leaders, General Anibal Regis Romero, the secretary general of the coordinating commission of the civilian-military dialogue, yesterday emphasized that the Armed Forces "will no longer work hard for the unity of the ruling Colorado Party alone, but now we will work hard for the unity of the entire Paraguayan family. We will not be involved in party precinct or domestic politics," the high-ranking military leader stressed.

Emphasizing the decision made by Armed Forces leaders, Gen. Romero added: "We have taken the initial step, but we have yielded that space to the politicians. If the Colorado Party does not unite, it will concern the Colorado Party already. It will be a problem for the Colorado politicians. We can no longer get involved. We do not want to or we must not get involved."

Gen. Romero added: "The president of the Republic wants the unity of the entire Paraguayan family. Therefore, we are engaged in a series of talks in order to seek a point of agreement to make Paraguayans happy and social justice become a beautiful reality."

We again asked Gen. Romero whether the military men would no longer strive for the unity of the Colorado family alone as expressed in a point of the declaration of the Revolution of 2 and 3 February. In this regard, Regis Romero plainly responded: "Well now, that must be exclusively handled by the politicians."

Afterwards, the military household chief of the presidency of the Republic explained to journalists the meaning of the declaration's point that talked about the need to achieve the unity of all the ruling Colorados. "At that moment, we understood that we would achieve the unity of the Paraguayan family through the unity of the Colorado family. At least, we thought that we would achieve a general reconciliation," he emphasized.

When he was told that there was a contradiction in his remarks, Gen. Romero clarified the revolution's basic objectives. In this regard, he said the objectives were: to overthrow a corrupt, authoritarian, and dictatorial government; to install a government of transition toward democracy; to seek national pacification through dialogue; to call a new constituent assembly; and to strengthen democracy with a new president in 1993.

General Oviedo Denies Promoting Press Law

PY1008191891 Asuncion HOY in Spanish 10 Aug 91 p 10

[Text] General Lino Cesar Oviedo has denied having advocated a press law. "First, we are not congressmen. Thus, we are not the ones who draw up the laws," said the high-ranking military commander who, at a meeting with businessmen, stated: "They are not going to put a banana peel under our feet with their newspapers. We confronted them here yesterday and their arguments were not enough for a 30-minute discussion," meaning the criticism of high-ranking military officers leveled by various news media.

Lino Oviedo clarified the meaning of his remarks, saying: "I told them (the businessmen) that the press should not be feared, that we must seek rapprochement

with them, meet with them, and talk with them. We should exchange opinions because when one has valid arguments, the discussion should not last more than 30 minutes and they are not going to put a banana peel under our feet. Dialogue will not harm us. On the contrary, we will reach some agreement," he emphasized.

Although he denied having advocated a press law, Gen. Oviedo said he was in favor of such a law. He stated: "As far as I am concerned we should help the fourth estate to become more institutionalized and better trained."

Air Force Chief Discusses Press, Reductions

PY1008193491 Asuncion ABC COLOR in Spanish 10 Aug 91 p 2

[Text] In response to questions about a possible press law, General Dionisio Cabello Amarilla, Air Force commander in chief, said: "I do not oppose freedom of press because only those who have hidden sins fear the press." When asked if there is a movement in military circles favoring a press law, the Air Force chief answered: "As far as I know, there is nothing in that. Why should we restrict anyone's freedom if it is the nicest thing we have—this freedom of ours?"

Gen. Cabello added that he did not want to dwell on the subject, but reiterated time and again that he was in favor of freedom of the press. He recalled that in the United States, "it is dangerous to publish articles damaging to the private life of individuals."

He went on to say: "From what I can see myself there are some journalists (he did not specify names) who mess around with the private affairs of people without having done enough research before they start damaging the private lives of their fellow human beings."

He explained: "Nobody wants to have people making hasty judgments and harming them because they have families and responsibilities like any other citizen."

Asked whether he supports freedom of press, he answered: "Certainly, brother," and emphasized: "How can we fail to support this freedom if citizens have a right to express and say whatever they please? The only thing we should bear in mind is that we are restricted by the rights of others. In sum, I can go as far as my rights and freedom allow me to go as long as I do not harm the rights of other people."

Gen. Cabello added that he was against what he called "aggressive, harsh words that are frequently used without enough information to back them up."

He said the Armed Forces must participate with the people in all fields of action adding: "The Armed Forces do not intend to set the pace for anyone because, in the final analysis, we are masters of our own destiny and we are participating in this national dialogue because our intentions are good."

He stressed: "This thing about civilians on one side and military men on the other side must be done away with once and for all. It is a thing of the past."

Gen. Cabello also said this is "not the right time" to reduce the Armed Forces, adding that perhaps this can be done in time, but always "bearing capabilities in mind." He concluded by saying that if people want to reduce the Armed Forces so much, "fine, let us isolate ourselves again, buy oxen and prods and start moving backward."

Reportage on Polish Foreign Minister Visit

Meets Congress Leaders

PY0908184691 Asuncion ULTIMA HORA in Spanish 7 Aug 91 p 6

[Text] Polish Foreign Minister Krzysztof Skubiszewski, who is in the country on an official 48-hour visit, met with leaders of the two congressional chambers yesterday. He was accompanied by his advisers on his visit to the Senate, and he met with Senators Gustavo Diaz de Vivar, Senate president; Alcibiades Fernandez, Senate vice president; and Carlos Augusto Saldivar, International Relations and Affairs Committee head.

The Polish foreign minister stressed the fact that his country and ours are engaged in a process of democratic changes "that positively contribute to accelerating real relations and integration among nations; considering that we have had no contacts for many years, we now wish to make up for wasted time."

Skubiszewski added that his country is very interested in expanding relations with Latin American countries that play a very important role in Polish foreign policy, and Paraguay is one of those countries.

The Polish foreign minister also referred to the changes that took place in his country when Solidarity assumed power. He stressed the similarity between the two countries. In this regard, he said: "In addition to Christianity, there is another factor that unites our countries: Both Paraguay and Poland are facing the task of establishing a new national Constitution."

On expressing thanks for his visit, Diaz de Vivar stressed the affection that Paraguay has always expressed for the long-suffering Polish people.

Skubiszewski will meet again today with his Paraguayan counterpart, Alexis Frutos Vaesken, to discuss subjects related to relations between the two countries. He is expected to leave for Poland [as published] at 1700.

Signs Bilateral Accord

PY0908185891 Asuncion ULTIMA HORA in Spanish 7 Aug 91 p 12

[Text] Paraguayan Foreign Minister Alexis Frutos Vaesken and his Polish counterpart, Krzysztof Skubiszewski, around noon today signed the first bilateral accord as part of the opening stage of diplomatic and trade relations between Paraguay and East European countries. The ceremony, which was attended by government officials and special guests, was held at the Foreign Ministry auditorium.

The accord deals with the suspension of visa requirements for diplomatic and official passports. This is the first step toward a full opening in relations between the two countries. Thus, the talks between Frutos Vaesken with his Polish, Hungarian, and Czechoslovak counterparts in April have achieved reality. On that occasion, accords for the establishment of diplomatic relations with these countries were signed.

Before signing the accord, Frutos Vaesken and Skubiszewski, along with their teams of advisers, held a working meeting in which they outlined the tasks to be developed to strengthen bilateral relations.

Skubiszewski said this is the first time a Polish foreign minister has visited Paraguay, and added that he hopes to obtain positive results from this visit. He said: "We want to recover wasted time. We have not maintained relations for many years, and now that we are undergoing similar processes, we have an opportunity to establish relations."

Frutos Vaesken said that the Paraguayan Government hopes to expand relations with Poland and other countries that are new for Paraguay in the diplomatic area.

He said: "We want to know Poland's position on the new international order. Those countries, in turn, want to know about the progress we have made in the area of Mercosur [Common Market of the South]. They also want to learn about the Rio Group and President Bush's Americas Initiative, among other things."

Peru

Fujimori Denies U.S. Military Forces To Arrive

PA0908193491 Lima Global de Television Network in Spanish 0100 GMT 9 Aug 91

[Text] Today, during a meeting with Senator Enrique Bernales, President Alberto Fujimori emphatically denied that U.S. military forces, including Green Berets, are about to arrive in Peru supposedly to take action against drug traffickers. Senator Bernales also said that the president told him he will be making important announcements on the suspension of U.S. aid to Peru.

[Begin Bernales recording] That is a topic we discussed and the president has given me full assurances that such a report is totally false. We do not know the origin of the report. Two clauses to the [antidrug] agreement are being studied by the U.S. Congress and the clauses rule out any possibility that the established aid will include the presence of military forces in combat actions, as the ones which precisely characterize the Green Berets.

I think that for the good of Peru, for the good of the image of Peru abroad, and to strengthen the possibility of peace in the country; what the government, legislature, and judicial branch can do jointly to punish crimes is very important. No violation of human rights should remain unpunished. [end recording]

U.S. Military Aid Report Denied

PA0908183091 Lima Panamericana Television Network in Spanish 1200 GMT 8 Aug 91

[Text] The Peruvian Defense Ministry has rejected media reports on U.S. military aid to Peru. In this respect, the Defense Ministry has issued an official communique in which it refers to an article by (Clifford Krause) that was published in THE NEW YORK TIMES. The article cites alleged U.S. State Department reports on sending 50 consultants—including military advisers, Green Berets, and Marines—to Peru as part of the aid to struggle against drug trafficking. The article also said that the United States had sent $34 million to train Peruvian combat battalions and to institute a special forces. The Defense Ministry has categorically denied this report. The communique claims that Peru has not received the mentioned amount and that its position on the drug trafficking problem explicitly rejects the presence of foreign troops in the country.

More on U.S. Forces, BCCI

PA0908193191 Lima Global de Television Network in Spanish 0100 GMT 8 Aug 91

[Text] Senate President Felipe Osterling has rejected any U.S. attempt to send its marines to participate in the fight against drug trafficking as a violation of Peru's sovereignty. He said the sending of military forces is not in any way included in the antidrug agreement. Osterling also referred to the Senate investigation of the BCCI [Bank of Credit and Commerce International] financial scandal.

[Begin recording] [Osterling] My opinion is one of absolute rejection. We have never talked about that. We signed an agreement with the U.S. Government on the replacement of crops, technical assistance and so forth. We have obviously never spoken about turning Peru into another Vietnam.

[Reporter] According to this week's issue of TIME magazine, 400 Marines are being sent to our country.

[Osterling] I do not believe such reports are credible.

[Reporter] In any case, do you think the presence of foreign troops should be avoided and that only advice should be given?

[Osterling] Only advice should be granted. Foreign troops are not going to come to the country. Only advice will be given.

[Reporter] The commission that will investigate the irregularities committed regarding the deposits of the BCR [Central Reserve Bank] in the BCCI was created yesterday, but no deadline has been set for its investigation. Has a deadline been set for that commission?

[Osterling] Yes, the period established by Senate regulations is 30 days, extendable to 60 days. Therefore, I hope this commission will do its work as soon as possible because this is an issue of national interest which should be resolved. [end recording]

Prime Minister on Suspension of U.S. Aid

PA0908201791 Lima Global de Television Network in Spanish 0100 GMT 8 Aug 91

[Text] Prime Minister Carlos Torres y Torres Lara said that the U.S. Congress has withheld its aid to Peru because it has received biased and inaccurate information on human rights violations in our country and this is a thing of the past. He said that he trusts the problem will be overcome.

The prime minister called a news conference to talk exclusively about the suspension of $95 million in U.S. aid within the framework of agreements for military and police assistance in the antidrug struggle. He said that the suspension is provisional and it has been applied because the U.S. Congress, which is in charge of approving the disbursement of those resources, adjourned its sessions until 5 September. It is well-known that a group of U.S. congressmen voted in favor of withholding this aid due to the reports on systematic human rights violations in Peru.

[Begin Torres y Torres recording] Why has this occurred? We believe that, like anywhere else in the world, the U.S. Congress does not have adequate information on the human rights issue. All the information on human rights violations is based mostly on events which occurred in recent years. I do not wish to blame persons who were members of other administrations. All I want to say is that the statistics are old, dealing with previous years. [end recording]

It will be necessary to wait for the final decision of the U.S. Congress to release this economic aid—once it renews its activities on 5 September.

[Begin Torres y Torres recording] I do not think there is any bad faith among the congressmen. They will hear Peru's position and they will see that we are punishing and condemning the cases which occur; and we will endorse the defense of human rights. [end recording]

Fujimori Rejects Any Dialogue With Shining Path

PY0908231191 Lima LA REPUBLICA in Spanish 31 Jul 91 p 8

[Excerpt] Cajamarca, 30 Jul—President Alberto Fujimori yesterday shut the doors on the idea of any dialogue with Shining Path subversives. He explained that the murder of three Japanese technicians in Huaral has forced "the temporary" withdrawal of Japanese cooperation.

He also said that despite the "insane action of the servants of drug traffickers in the rural areas of the country" his government will continue to support the national agriculture.

As a first follow-up to this announcement, Fujimori promulgated here the Investment Promotion Law for Agriculture through which properties of over five hectares can be used as collateral for credits and drilled for underground water without the participation of the Agriculture Ministry.

Fujimori also said that Supreme Decree 030 which prohibits the use of reconstituted powdered milk for human consumption will continue in force.

He said: "This is an irreversible decision and it cannot be revoked through any writ of amparo."

Fujimori handed over 20 trucks donated by Japan to the peasants of this region to carry their products.

Japanese Senator Kanzi Inoqui came specially to Peru to represent Japan and to inform Prime Minister Toshiki Kaifu on the details of the delivery. [passage omitted]

President Convenes Disarmament Conference

PY0908234191 Lima LA REPUBLICA in Spanish 24 Jul 91 p 2

[Excerpt] President Alberto Fujimori yesterday reiterated his firm determination to launch a policy of regional disarmament, based on the reduction of arms and the use of resources to promote economic and social development in the region.

Fujimori said that the Peruvian Government has convened the foreign ministers of the Rio Group to discuss the issue.

"We will jointly search for security, development, and the consolidation of democracy in Latin America," the president said.

Fujimori was emphatic when he said that peace and development go hand in hand, adding that progress will not be possible while a climate of mistrust prevails in the region, a mistrust that forces our countries to arm themselves, thus diverting funds that could be better used to fight poverty.

Fujimori said that this disarmament policy is part of a new concept of national defense, oriented toward maintaining and stabilizing legitimate governments against threats like drug trafficking and terrorism.

The president said that the meeting in Lima during November will try to convince Rio Group countries to renounce the purchase, transfer, and production of weapons of mass destruction, be they nuclear, biological, or newly developed conventional arms.

We seek to establish mechanisms to promote trust, thus making it possible to reduce present needs for arms and so reduce military budgets, the president said.

Fujimori said that through this initiative, Peru seeks to promote cooperation among the Rio Group democracies, promoting economic and social development and defending the democratic institutions of the region.

Fujimori made these remarks during a speech to commemorate the day of the Air Force at La Palmas Base. [passage omitted]

Central Bank Announces International Reserves

PY0908232991 Lima LA REPUBLICA in Spanish 29 Jul 91 p 11

[Excerpt] Central Reserve Bank President Jorge Chavez revealed yesterday that Peru has $800 million in net international reserves.

He said that the figures reveal the great economic recovery compared with one year ago at the conclusion of the Alan Garcia administration when the reserves stood at negative $105 million.

He said that during the first year of President Alberto Fujimori's administration, a reserve of more than $900 million has been built up.

Chavez believes that the improvement in our international reserves results from the government's economic policy, the main achievement of which is the reduction of the monthly inflation rate from 50 to 10 percent.

Chavez made these comments in Congress where President Fujimori delivered his state of the nation address. [passage omitted]

* Velarde Asks Public To Trust Security Forces

91WR0275B Lima EL COMERCIO in Spanish 18 Jul 91 p A13

[Article by Victor Juarez Carmona]

[Excerpt] Chiclayo, 17 July—The president of the Joint Command and commander general of the Air Force, General Arnaldo Velarde Ramirez, called upon the Peruvian population to trust their police and military institutions, even though mistakes may be made occasionally.

The statement was made during the ceremony to dedicate a monument to Captain Jose Abelardo Quinones, held in this city to honor the 50th anniversary of the death of this Peruvian aviation hero.

Velarde indicated that the police and military institutions will be successful within the law.

"I think that the most important thing in this celebration is to send a message of moral strength for the Fatherland," he stated.

He emphasized that the military institutions are there to protect the nation, regardless of any error that some of their members might make.

The monument to Quinones was dedicated in an impressive ceremony.

While Air Force General Arnaldo Velarde Ramirez was unveiling the monument and the commemorative plaque, several jets flew over the area in synchrony, and more than 100 colored balloons were released into the air.

During the ceremony, several floral offerings were placed before the monument, from the Air Force, the National Police, the Peruvian Army, the Navy, the Prefecture, the local city government, and the regional government. [passage omitted]

* 'Depopulation' of Arequipa Provinces Assessed

91WR0275C Lima EL COMERCIO in Spanish 18 Jul 91 p A13

[Text] Arequipa, 17 July—Dozens of peasant families from the upper provinces of Arequipa are abandoning their land and crops because of the heightened terrorist violence in those areas, reported the chief of the political-military command in the emergency zone, Colonel Carlos Vasquez.

He stated that during visits to the provinces of Cailloma, Caraveli, Condesuyos, and La Union, he had discovered cattle and "auquenidos" abandoned to their fate, and "ghost" towns where there was no trace of family life.

He also said that whole families have begun an exodus to urban centers, especially this city.

Col. Vasquez indicated that in conjunction with the command of the Third Military Region and the regional government, authorities and officials who have abandoned their posts in those provinces are being reinstated.

The colonel declared that the situation is under control in these emergency zones, and that every day military and police forces patrol the communities plagued by subversives.

With regard to the terrorist attack that occurred recently in Jaqui, Caraveli, he said that seven alleged subversives have been arrested for participating in the assault.

In addition, he denied that law enforcement officials are violating human rights, and added that the population is given all the necessary guarantees to carry out its activities in that area.

* Foreign Investment in Oil Sector Reviewed

91SM0422F Lima EL COMERCIO in Spanish
17 Jul 91 p A6

[Text]

Ricardo Amiel Cautions That $2 Billion in Investments Are Needed This Decade If We Wish To Avoid Becoming Net Importers

Foreign investment in energy ought to be promoted under stable, equitable ground rules that will insure a return on investment, a normal distribution of profits, and internationally competitive tax treatment, Ricardo Amiel Meza, the spokesman for the Popular Christian Party (PPC) on energy matters, asserted yesterday.

"We must be realistic and accept the fact that Peru has not been and is not a country to which foreign investment has felt particularly attracted. The many political changes and legal instability have acted as a barrier that has caused people to lose interest," he remarked.

Evaluating the private firms that have operated here between 1971 and 1986, he said that of 22 companies, only four were successful, while 18 failed, losing $1.6 billion among them.

"The ones that were successful, in other words, Oxy and Belco, after deducting salaries, operating expenses, and total investment, earned $750 million," he indicated.

Investment in Peru

He noted that over the past 20 years $4.256 billion has been invested in Peru in oil exploration and development, with the contractors accounting for $3.051 billion and Petro-Peru [State Petroleum Agency] for the rest.

Amiel explained that during this same period the country made an overall profit of $7.23 billion without having invested a single dollar.

He indicated that if from this amount we subtract Petro-Peru's investment in the construction of oil pipelines, which totaled $814 million, Peru made $6.416 billion.

He asserted that Peru could bring in around $2 billion in investments in exploration, that is to say, an average yearly minimum of $200 million to discover some 1 billion barrels of oil.